

House Democrats Unveil New Plan to Halt Unfair Trade

United Press International
WASHINGTON — Democrats unveiled sweeping trade legislation on Tuesday that attempts to crack down on unfair foreign trade practices by requiring the president to retaliate.

But in a concession to the Reagan administration, the proposal would give the president the option to refuse to take action if he believed that any counterretaliation that might be triggered would be more harmful to the nation than the original trading offense.

It would leave the method of retaliation up to the president.

The Democratic chairman of the Ways and Means Committee, Dan Rostenkowski of Illinois, said the success of any trade law reform "depends on whether our trading partners take us seriously." Mr. Rostenkowski put forth the plan on behalf of himself and Sam M. Gibbons, Democrat of Florida, the chairman of the trade subcommittee.

Last year, the United States posted a record trade deficit of nearly \$170 billion, with the largest single portion, \$58 billion, resulting from the trade gap with Japan.

The bill addresses the problem of dealing with countries that have "excessive" trade surpluses with the United States, such as Japan, Taiwan, Korea and West Germany. But it significantly modifies the provision that caused the administration the greatest concern last year.

The original version, put forth by Representative Richard A. Gephardt, Democrat of Missouri, would have required countries that had "excessive" trade surpluses with the United States and demonstrated a pattern of unfair trading practices to reduce their exports to the United States by 10 percent.

The new version drops the arbitrary percentage reduction and sets a six-month limit for negotiating an

end to unfair trade practices. If negotiations fail, the president would decide how to retaliate.

Representative Donald J. Pease, Democrat of Ohio, expressed concern that the new bill represents a "significant weakening" of last year's version, which passed overwhelmingly in the House last year but failed to go through the Senate.

However, several Republicans applauded the effort as a substantial improvement that addresses many, but not all, of the Reagan administration's trade concerns.

The administration, which has agreed to work with Congress on a trade bill this year, reversing its position of last year, condemned the Gephardt amendment as protectionist.

The U.S. trade representative, Clayton K. Yeutter, described his initial reaction to the proposal as "overall, very positive."

Mr. Yeutter, who discussed the proposal in a closed session with the panel, said, "Certainly, we have a long way to go on individual issues" but "we have advanced a very long way from a year ago."

He said he was "cautiously optimistic" about the prospects of producing a trade bill that would be acceptable to the administration.

The bill introduced Tuesday would:

- Establish such violations of workers' rights as substandard wages as an unfair trade practice subject to retaliation.
- Modify the procedure for industries hurt by imports to appeal for relief.
- Subject to civil penalties foreign manufacturers guilty of repeatedly "dumping" their products at below-market costs.
- Grant the administration as long as six years to negotiate new world trade rules under the General Agreement on Tariffs and Trade as long as it consulted closely with Congress. The administration had asked for a 10-year mandate.

President Was 'P.O.'d' On Iran, Daughter Says

By Lou Cannon
Washington Post Service
WASHINGTON — Maureen Reagan said that her father was "royally P.O.'d" when he learned that he had been deceived by his former national security adviser, Rear Admiral John M. Poindexter, and an aide, Lieutenant Colonel Oliver L. North.

President Ronald Reagan's daughter also said Monday that after Admiral Poindexter and Colonel North signed the Fifth Amendment to the U.S. Constitution in refusing to testify before congressional committees in December, she urged that they be court-martialed.

She said she had expressed this view "many times" to the president, who responded, "Uh, huh."

[Mr. Reagan indicated Tuesday that he does not agree with his daughter that the officers should be court-martialed. United Press International reported. "I gave up arguing with my daughter long ago," he said.]

Miss Reagan, accompanied by Republican Party officials, appeared in the White House briefing room Monday after a luncheon with the president.

She said that the president was proceeding with his domestic policy agenda despite the Iran-contra affair. Reporters asked her to describe the emotional reaction of the Reagan family to the affair.

"I was in a very different waiting period for the president until the Powers Commission did its work," Miss Reagan replied.

"I think the president was very angry when he learned of some of the things that had been done—in fact, many of the things that had been done without his knowledge. In fact, royally P.O.'d might be a very good word for it."

Referring to that term, an abbreviation for a vulgarism, she said, "I cleaned that up just for you guys."

Asked about a statement she made at recent at a Republican rally that the two officers should be court-martialed, she repeated the statement.

"I said that a member of the United States military who lied to their commander-in-chief is guilty of treason and should be court-martialed," Miss Reagan said.

"Yes, I said that. Asked how she knew that they had lied, she said that "because by omission or commission, they did not tell the president what they were doing—and that's a lie."

Walsh Seeks to Delay Immunity in Iran Affair

United Press International
WASHINGTON — The special prosecutor in the Iran-contra affair, Lawrence E. Walsh, on Tuesday asked the House of Representatives panel investigating the affair to delay granting immunity to Lieutenant Colonel Oliver L. North and other witnesses for at least 90 days while he prepares possible cases for prosecution.

Mr. Walsh met for nearly 90 minutes with the House committee to head off a congressional drive to grant limited immunity to Colonel North and other figures, including Rear Admiral John M. Poindexter, a former national security adviser, in return for their testimony.

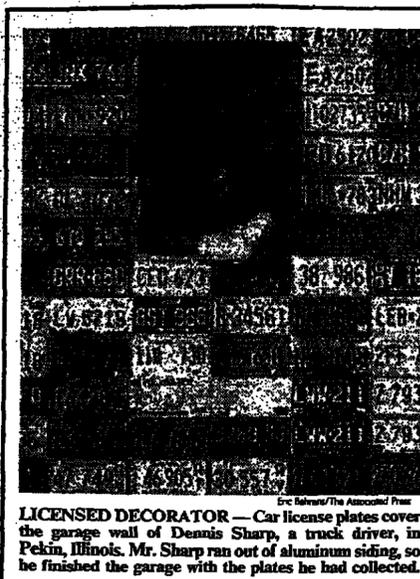
"I asked the committee to defer consideration of immunity for North and Poindexter," Mr. Walsh said after the meeting. When asked for the length of his requested delay, he said, "At least 90 days."

Under unsworn testimony given by protected witnesses before Congress cannot be used against them unless it is corroborated by evidence gathered independently.

Mr. Walsh, whose formal title is independent counsel, said he would ask the special Senate committee, headed by Senator Daniel K. Inouye, Democrat of Hawaii, for the same delay when he meets with its members on Wednesday.

Mr. Inouye and Representative Lee H. Hamilton, the Indiana Democrat who is chairman of the House committee, planned to meet Tuesday.

Mr. Hamilton has told Mr. Walsh he cannot wait until the prosecutor's criminal investigation is over, but has cautioned against moving to grant use immunity too quickly.



LICENSED DECORATOR — Car license plates cover the garage wall of Dennis Sharp, a truck driver, in Pekin, Illinois. Mr. Sharp ran out of aluminum siding, so he finished the garage with the plates he had collected.

U.S., Soviet Start Draft of Missile Pact

United Press International
GENEVA — U.S. and Soviet arms negotiators began work Tuesday on drafting a treaty to eliminate medium-range nuclear missiles in Europe.

Talk of a breakthrough in Geneva began on Feb. 28 when the Soviet Union dropped its insistence that President Ronald Reagan accept cuts on his Strategic Defense Initiative before progress could be made on medium-range missiles.

The proposal that emerged, mirrored in a U.S. counteroffer on Wednesday, would limit the Soviet Union to 100 warheads in Asia and restrict the United States to an equal number on medium-range missiles on American territory.

The special session on Intermediate Nuclear Forces, or medium-range weapons, is being held between formal rounds of the overall Geneva arms talks. The talks are now recessed.

U.S. and Soviet spokesmen said the medium-range missile negotiators would meet for about two weeks to start initial drafting of a joint treaty text.

In Washington, U.S. officials warned against expecting any quick agreement. "I don't think we're doing any good by trying to raise expectations," Max M. Kampelman, the main U.S. negotiator, said Monday. "We are not going to try to complete it by any specific date at the sacrifice of watching the small print in the treaty."

Support for ABM Treaty
 R. Jeffrey Smith of The Washington Post reported from Washington: Six former U.S. secretaries of defense voiced support for the 1972 anti-ballistic missile treaty on Monday and called for continued U.S. adherence to a "traditional, or narrow, interpretation."

In a bipartisan statement sent to President Reagan and key members of Congress, the former officials said the United States and the Soviet Union should "both avoid actions that erode the ABM treaty," because it helps guarantee the effectiveness of our strategic deterrent and makes possible the negotiation of substantial reductions in strategic offensive forces.

"To this end," they said, "we believe that the United States should continue to adhere to the traditional interpretation" of a key provision in the treaty that bars development and testing of missile defenses on airplanes and ships, or in space.

Secretary of Defense Caspar W. Weinberger, in contrast, has urged President Reagan to follow a more permissive treaty interpretation to allow tests of advanced air- and space-based missile defenses. The SDI program entails space-based missile defenses.

Mr. Reagan concluded in 1985 that the permissive interpretation was legally correct, but he decided not to follow it now because of protests from Congress and U.S. allies.

The former defense secretaries opposing the proposal are Robert S. McNamara, Clark M. Clifford, Melvin R. Laird, Elliot Richardson, James R. Schlesinger and Harold Brown. They served under two Republican and three Democratic presidents from 1961 to 1981.

U.S. Lawyers Hail Ruling On Aliens

By Stuart Taylor Jr.
New York Times Service
WASHINGTON — The U.S. Supreme Court's ruling that the government must relax its standard for deciding whether aliens are eligible for political asylum has been hailed as a major victory by immigration lawyers, who said the ruling would help many applicants.

The court ruled 6-3 on Monday that the standard should be only whether the aliens would be persecuted in their home countries.

It rejected the Reagan administration's position that to qualify for asylum, aliens must prove a "clear probability" that they would be killed, tortured or otherwise persecuted for their beliefs if returned to their home countries.

Immigration experts said the decision would help people who assert they are refugees from persecution, particularly from Central American countries such as El Salvador and Guatemala. In recent years, only a small percentage of asylum applications from people fleeing those countries have been granted.

Many church groups and other private organizations have accused the administration of denying asylum to refugees from Central America and elsewhere who are legally eligible for it. The administration has denied the assertions.

"It is a tremendously significant decision," said Ira J. Kurzban, an immigration lawyer who is president-elect of the American Immigration Lawyers' Association. "It recognizes at least implicitly the difficulty that asylum applicants have in proving their claims, so more people will be eligible for asylum who should be eligible."

The ruling means that many people denied asylum under the previous standard will now be able to reopen their cases, immigration lawyers said. More than 11,000 illegal aliens applied for asylum in the last fiscal year, the administration said in papers filed with the court.

The effect of the decision could be limited, the court noted, by the fact that the attorney general retains discretion to deny asylum, even to refugees who are legally eligible for it under the definition applied by the court.

The court said the government's position was contrary to the intent of the Refugee Act of 1980, which provides that aliens are eligible for asylum if they are unwilling to return to their home countries "because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion."

Justice John Paul Stevens, in the majority opinion, suggested that any applicant would be eligible for asylum if "persecution is a reasonable possibility."

The decision upheld a lower court decision requiring the Board of Immigration Appeals to reconsider the application for asylum of Luz Marina Cardozo-Fonseca, 38, a Nicaraguan who said she would risk torture by the Sandinist government because of her brother's political activities if she returned to Nicaragua.

Babbitt Declares For Presidency

United Press International
MANCHESTER, New Hampshire — Bruce E. Babbitt, a former Arizona governor, announced Tuesday his candidacy for the Democratic presidential nomination, the second Democrat to officially seek the White House in 1988.

Mr. Babbitt, 48, told supporters that the next president of the United States "must dare to be different. The next president must chart a course that lets America take charge of its future."

Outlining his priorities, Mr. Babbitt said the nation must clear up poverty, improve education, clean up the environment and bring the Soviet Union to the bargaining table to reach a nuclear arms agreement. Mr. Babbitt's declaration followed one last month by Representative Richard A. Gephardt, Democrat of Missouri.

AMERICAN TOPICS

Hospitality Goes On, New Tax Rules or Not

When Congress restricted the tax deduction for business entertainment and meals last year, darkened theaters and shuttered restaurants were widely predicted. But so far, The New York Times reports, business people are continuing to spend about \$90 billion a year dining and dining customers, despite tax rules that permit only 80 percent of most such expenses to be deducted, instead of the full amount.

The bite is even deeper than that because lower corporate income tax rates push up a company's real hospitality costs by 35 percent. For example, a \$200 bill for dinner and theater that used to cost \$108 after taxes now costs \$155.60.

But the lute goes on. "I was a little worried" about the new tax rules, said André Solter, owner of Lubeck, one of Manhattan's most expensive restaurants. "But right now I am a little relieved. Business is as good as ever."

A. Gary Shilling, an economic consultant, said that most 1987 company budgets were set before the new tax rules were enacted.

"I think it will be a gradual shift," Mr. Shilling said. "It's a serious concern, but it's more in the 'to do' stage than in the 'do now' stage."

Short Takes

No overall statute protects underground water in the United States. The Clean Water Act of 1971 has slowed or rolled back the pollution of lakes and rivers. But legislation to protect underground water would entail controls on land use, anathema to the Reagan administration. However, Lee M. Thomas, administrator of the Environmental Protection Agency and a Reagan loyalist, has reversed his position and is calling for a national program to protect ground water, the source of about half the country's drinking water. It is increasingly being polluted by pesticides and toxic wastes. Mr. Thomas told The

scoring television images of starving children in Africa.

"How many of those little black kids does it take to equal one Amy?" referring to his daughter. "Fifteen, 20, 10, five?" he continued. "I think the answer is one, but it's hard for me to believe this." It was not Mr. Carter's first public confession: During his successful 1976 campaign for president he told a Playboy interviewer that he had "looked on a lot of women with lust" and had "committed adultery in my heart many times."

American University has named its gymnasium after Adnan Khashoggi. The institution in Washington has received several million dollars in gifts from the Saudi arms dealer. So before a basketball game with the U.S. Naval Academy, the students had balloons made bearing the legend, "Adnan's Army." University officials, sensitive about Mr. Khashoggi's role in the Iran arms sale affair, promptly stuck a pin in the idea, and the balloons did not appear at the game.

—ARTHUR HIGBEE

New Arizona Governor Is Rarely Far From a Fray

By Robert Lindsey
Phoenix, Arizona — For Governor Evan Mecham, it was a typical week: He banned a local newspaper columnist from his news conferences, a citizen committee in Tucson announced a petition drive to remove him from office and a national organization of black nurses became the latest group to cancel a planned convention here because of him.

Arizona's 17th governor has been in office only two months, but he has rarely ceased to make news or back away from a fight. A political conservative who calls himself a "constitutionalist," Mr. Mecham has taken on the local newspapers, the state's teachers and government bureaucrats, its black community, its homosexuals and others, including some fellow Republicans in the Legislature.

Since taking office, Mr. Mecham has moved to cut state spending and freeze the salaries of state employees, canceled plans to observe the birthday of the Reverend Martin Luther King Jr. as a state holiday, demanded that schools become "more accountable" for their budgets, made public remarks that offended homosexuals and appointed an adviser on education who argued publicly that teachers should be forbidden to try to teach students what to think.

If a student "wants to say the word is flat," said the governor's nominee, James Cooper, "the teacher doesn't have the right to try to prove otherwise," adding, "The schools don't have any business telling people what to believe."

Mr. Mecham's politics are considered extremely conservative in a state where even most Democrats tend to be conservative.

Joel Breslin, Arizona director of the Anti-Defamation League of B'nai B'rith, asserted that Mr. Mecham had a longtime pattern of associating with people "close to right-wing extremist groups, and these associations concern us."

In an interview, Mr. Mecham described himself as a "states' rights" eager to achieve some, but not all, goals ascribed by others to the conservative cause. He noted, for example, that he opposed efforts to designate English as the official language of Arizona because, he said, it would offend "our friends south of the border."

Among his principal goals, he says, are reducing the size and scope of government and returning to state jurisdiction functions that he contends are granted to the states by the U.S. Constitution; the right, for example, to set speed limits on state highways.

"Government is out of control," he said.

Mr. Mecham, a 62-year-old native of Utah, was elected Arizona's first Republican governor since 1974 in November after four previous unsuccessful bids for the office. A wealthy car dealer who served in the state Senate, he succeeded Bruce Babbitt, who is seeking the Democratic presidential nomination.

In the interview, Mr. Mecham said he was not worried about the drive to recall him from office. He dismissed a local opinion poll that reported much dissatisfaction with his stewardship, calling it the product of a biased poll taker.

"I'm satisfied that if you held the election today, I'd have over 60 percent of the vote," he said. "The recall doesn't trouble me at all."

Mr. Mecham has become a frequent subject of criticism on local radio talk shows and in the local newspapers, particularly the jointly owned Arizona Republic and Phoenix Gazette.

Cruz Quits Contra Group, Assails Rivals and U.S.

By James LeMoyné
New York Times Service
SAN SALVADOR — Arturo José Cruz has resigned from the United Nicaraguan Opposition, condemning both U.S. and rival officials of the Nicaraguan rebel grouping for failing to push a major reordering of the rebel movement.

His resignation Monday caps months of bitter fighting that has fractured the U.S.-backed rebel movement, perhaps beyond repair, and threatens the renewal of U.S. aid to the rebels, who are known as contras.

The changes he called for included creation of a broadened political directorate elected by a new assembly representing all political tendencies in the Nicaraguan exile community. In addition, the rebel army was to be reorganized and civilian officials were to have firm control over military commanders.

In his resignation letter, Mr. Cruz said he joined the U.S.-backed United Nicaraguan Opposition "convinced it could serve as a structure by which Nicaraguans as Nicaraguans, not as partisans of any other ideological point of view, could press the fight for liberation in a form in which national reconciliation and the real exercise of democracy would be guaranteed."

The letter said that Mr. Cruz decided to resign because "the United Nicaraguan Opposition has clearly defined itself not as a pluralistic structure in the service of a goal equally pluralistic, but rather as an instrument of a small, exclusive circle."

Speaking by telephone from Costa Rica, Mr. Cruz said, "I remain a firm opponent of the present Sandinista regime and a backer of the democratic cause in Nicaragua. But in the end it is my conscience, and my responsibility as a citizen, to make a decision in accord with my family and friends. My fundamental desire is to leave."

Mr. Cruz's resignation stunned Reagan administration officials, who were expecting him to attend strategy sessions with other rebel leaders in Washington and Miami this week. Neither the assistant secretary of state for inter-American affairs, Elliott Abrams, nor other officials who worked closely with Mr. Cruz were informed of his decision, a State Department official said.

Some administration officials said that Mr. Cruz's resignation Monday, coming two days before the House of Representatives is to vote on postponing \$40 million in aid to the rebels could not have been worse.

"If Cruz is seen as embodying all the hopes for the resistance, it is a serious blow," an administration official said.

State Department officials tried to cast the resignation in the best possible light. "There are many democrats in the resistance effort," an official said. "Their efforts to achieve democracy will continue and the reform process Cruz started will continue."

Mr. Cruz publicly promised in Washington last month that he would remain in the rebel movement until the moment he felt genuine change was possible. In a long and passionate letter of resignation made public Monday, Mr. Cruz said that moment had arrived. "The time is up," he said. "I have given all that I can give."

He shared the direction of the rebel movement with two other officials, Adolfo Calero Portocarrero and Alfonso Robelo Callejas.

But Mr. Cruz, who represents the more politically liberal wing of the Nicaraguan exile community, clashed repeatedly with the more politically conservative Mr. Calero and his followers.

Last month U.S. officials persuaded Mr. Calero to resign from the political directorate in an effort to convince Mr. Cruz that he should stay on and press for the reforms he said he wanted. But Mr. Calero maintained his powerful position as head of the main rebel army, the Nicaraguan Democratic Force.

Honduran Air Force Downs Cargo Plane

The Associated Press
TEGUICIGALPA, Honduras — The air force shot down an unidentified cargo plane "similar to a C-47" after it violated Honduran airspace on a flight that apparently came from Nicaragua's airbase, the military said Tuesday.

Nicaragua denied that the plane, which was shot down late Monday near the Honduran border with El Salvador, belonged to its air force. In Washington, Pentagon sources said the plane did not appear to be part of the operation supplying Nicaraguan rebels.

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Pakistan Calls the Bluff

For years the United States has been trying to get Pakistan off its effort to develop a nuclear explosive, using persuasion, offers of patronage, conventional weaponry and nuclear power, and the leverage of aid. As Indians and Soviets have voiced increasing and increasingly menacing concern over Pakistan's progress, U.S. officials have told them to back off and leave it to Washington. But Islamabad has pressed on. Last fall, U.S. authorities leaked word of Pakistan's latest progress. Pakistan ignored the warning. Last month the American ambassador publicly warned of an aid cutoff as required by U.S. nonproliferation law. Pakistan responded by boasting of its bomb program's success.

Few American undertakings abroad have fared as poorly as the effort of successive administrations to deflect the Pakistanis from their pursuit. Warnings have not worked. Nor have strategic dialogue, suppliers' cooperation or superpower collaboration. Carrots have not worked; sticks have not worked. Why? Because Washington has always wanted to enjoy cooperation with Pakistan in other policy areas.

In the early 1970s there was the China opening; at the end of the '70s there was replacement of intelligence facilities lost in Iran; in the '80s there has been the support of the Afghan resistance. The United States has never made nonproliferation its first priority. The Pakistanis have always made prolifera-

tion their first priority. They have thought they could have American patronage and the bomb, too—and so far they have been right.

A desperate U.S. government beseeches Pakistan to sign the nuclear nonproliferation treaty unilaterally, without a signature by archival India. India has a nuclear capability—it has developed an explosive—but not a nuclear arsenal. A Pakistani signature would give President Reagan and Congress the kind of good-faith demonstration that U.S. nonproliferation law requires, and would help keep U.S. aid flowing to Pakistan. But Pakistan knows that an aid cutoff would adversely affect not only its own security but also the Afghan resistance, an American favorite. It is calling the American nonproliferation bluff.

An extremely difficult decision faces President Reagan. But the United States cannot yield without a devastating loss of credibility on this issue and elsewhere. Senator John Glenn's suggestion of an aid suspension pending a policy review is useful—so long as the administration is prepared to hang tough. Nonproliferation is not some frivolous, idealistic cause that rightly yields in the pinch to other, more basic concerns. It bears directly on the first imperative of American foreign policy: to reduce the risks of nuclear war. It overwhelms any other American interests in Pakistan.

—THE WASHINGTON POST.

South Korean Suspense

For the second time in a year, Secretary of State George Shultz has seen fit to visit South Korea to urge an early and orderly transition from military to elective rule. He is pushing a heavy stone uphill. South Korea's social and economic systems are ready for democracy, but the country has a 40-year-old habit of tough-to-brutal rule by generals, and a student movement increasingly given to the profession of radical Marxism and the hurling of firebombs. There is a fuse burning on the Korean peninsula. An explosion that might be set off by either the generals or the students could produce upheaval.

The American advice is urgent and sound: Move carefully and surely toward democracy. On this trip, Mr. Shultz secured from President Chun Doo Hwan a fresh commitment to step down at the end of his term next February (the would be the first South Korean leader to leave peacefully) and to provide for his succession by elections. It is the second half of that commitment that raises the problems.

President Chun operates under heavy suspicion of wanting to install a mechanism for indirect elections so as to maintain the military's dominant political role. Opposition politicians prefer a mechanism for direct elections that they think would help them. Each side tugs at the United States to

enter the argument, the generals threatening crisis and the perils of the left if Washington hangs back and the opposition threatening crisis and the perils of the right.

The U.S. government can do only so far in pressing a specific form of elections. It must maintain a degree of detachment respectful of Korean sovereignty and nationalism, but without losing the involvement necessary to press the American interest in the country's democratic passage. This is made more difficult by the tendency of moderate opposition politicians to go with the flow of a tactic increasingly being used by the radical students: portraying U.S. support of South Korea as U.S. support of the Chun government. By this distorted reading, America has been a patron not of the relative security the country has enjoyed since the Korean War, and of its remarkable if rough economic progress, but rather of the ferocity, even revolting repression that the government still all too often employs, not to speak of its other failings.

If the United States must be discreet about electoral procedures, it cannot be discreet about repression. When soldiers and police torture and kill prisoners or use excessive force against admittedly trying students, these measures must be promptly and unequivocally condemned.

—THE WASHINGTON POST.

Let Soviet Jews Decide

Israeli Prime Minister Yitzhak Shamir wants the United States to stop giving special refugee status to Jews emigrating from the Soviet Union. At first glance, his reasons seem sensible. It would be politically easier for Soviet authorities to open the gates if Soviet Jews were headed for their presumed homeland. But past Soviet behavior belies this need for fig leaves. If the Kremlin wants to let Jews out, it knows how to open the doors without any fuss over their eventual destination.

The real effect of changing U.S. policy would be to make it harder for departing Soviet Jews to go anywhere but Israel. Mr. Shamir contends that that is fine because Israel needs immigrants. But Jewish organizations in the United States rightly object to Mr. Shamir's effort to persuade Americans to change their traditions to suit Israel's interests. Soviet Jews ought to decide where they want to go for themselves.

For the moment, the debate is academic. From a peak of 51,320 in 1979, the exodus of Soviet Jews has plunged to a meager 914 in 1986. Persistent rumors of liberalization have proved as barren as recent "reforms" in emigration policies. In practice, these make it harder for Soviet Jews to leave. Yet Moscow has opened the doors before to win good will and may do so again.

Soviet law and Israeli policy treat being Jewish as an individual's primary attribute. Under Soviet law, Jewishness is deemed a nationality and is so listed on identity pa-

pers. People of no other religion are thus stigmatized. In a similar vein, Israeli law and policy hold Israel to be a Soviet Jew's only true homeland. Yet the majority of departing Soviet Jews have chosen to go to the United States.

For Israel, this has meant embarrassment and the loss of much needed infusions of population. Hence Mr. Shamir recently asked Secretary of State George Shultz to deny refugee status to Soviet Jews. That would mean that they could come to the United States only as immigrants from Israel, subject to Israel's quota.

It is a bad idea. As a practical matter, relatives of 200,000 Soviet Jews already in America would face a new obstacle to family reunification—the long waiting line in Israel. There is something distasteful about suggesting that America bend its laws and traditions to spare Israel the discomfort of seeing Soviet Jews settle elsewhere. From Israel's own vantage, it is a dubious idea to appear to validate the Soviet belief that Jews are not adherents of a religion but members of an indigestible minority with dual loyalties, the classic equation of classic anti-Semitism.

Mr. Shamir's timing is, to put it gently, clumsy, coming smack on the heels of Israeli involvement in the Iran-contra affair and the Pollard spy trial. As Israel summons up the courage to acknowledge mistakes on these matters, it would be wise to do so on the emigration of Soviet Jews as well.

—THE NEW YORK TIMES.

Other Comment

Two Bombs in South Asia?

When Pakistan's chief nuclear scientist appeared to confirm that his country had developed a nuclear bomb, he triggered a series of predictable reactions. In India, the disclosure was greeted as proof that its neighbor and regional competitor now had a nuclear capability. In the Soviet Union, which has cherished a "special relationship" with India for many years, the apparent confirmation of Pakistan's nuclear capability was also seen as a mark of hostile intent.

Whatever suspicions may be raised highlight once again the fears of existing nuclear powers about what could happen if a nuclear capability were to be acquired by "irrespon-

sible" governments. Such fears may, in fact, be sometimes exaggerated. It can be argued that the possession by both superpowers of a nuclear capability has had a stabilizing effect on East-West relations. It is to be hoped that if both India and Pakistan have the bomb, a similar sense of responsibility might prevail.

In this case, they would do well to acknowledge their nuclear capability openly and sign the nonproliferation treaty. That would help to foster greater trust. It would also mean that allegations about who did or did not possess the bomb could no longer be used for political purposes, either by the countries themselves or by third parties wanting to stir up trouble.

—The Times (London).

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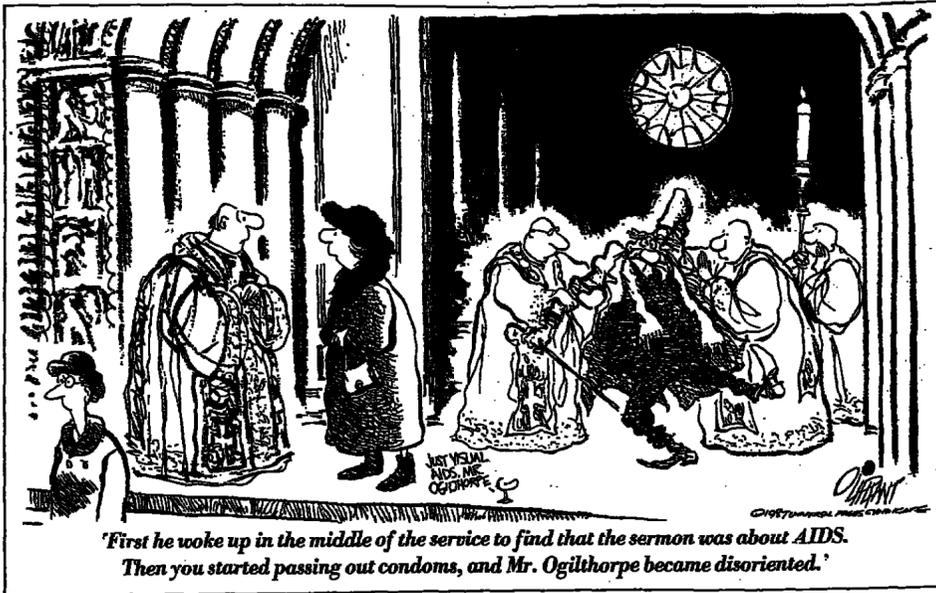
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OPINION



First he woke up in the middle of the service to find that the sermon was about AIDS. Then you started passing out condoms, and Mr. Ogilthorpe became disoriented.

Gorbachev's Real Test Is Afghanistan

By Anthony Lewis

BOSTON — Mikhail Gorbachev understands that the Soviet Union pays a price in the world for its abuses of human rights. The end of Andrei Sakharov's exile and the release of some important political prisoners were, at a minimum, responses to the opinion of mankind. Incomplete as we may think them, we have to understand that they were bold steps for a Soviet leader.

A more profound test of Mr. Gorbachev's understanding, boldness and political skill is at hand. The issue is Afghanistan. Soviet policy there has caused human suffering on a scale so large it is hard to grasp. Unless and until the policy changes, Afghanistan will cast a shadow on all Western negotiations with Moscow.

Seven years after the Soviet invasion, 115,000 Soviet troops are in Afghanistan. We have not paid enough attention to its suffering. But if Moscow thinks Afghanistan will be forgotten, or somehow kept separate from East-West relations generally, it is wrong.

Consider this: There are about five million refugees from Afghanistan now. That is half the refugees in the world, nearly a third of Afghanistan's pre-invasion population. Of those remaining in the country, perhaps two million have fled their homes because of Soviet bombing and other dangers.

The best studies of Afghanistan's torment were published last year. The number died a year earlier by private human rights organizations in New York, Helsinki Watch and Asia Watch. One practice they described is the use of "toy bombs"—explosive devices disguised as toy trucks, dolls and other objects. When children pick them up, they explode, blowing off hands, maiming, blinding.

"The practice of using toys to kill is such an outrageous concept that many have refused to accept it as true," the 1986 report of the Helsinki Watch committee said. "Yet Helsinki Watch has received scores of testimonials about such weapons from credible witnesses who often have no notion of the significance of what they were reporting."

Children are also the targets of an extraordinary Soviet political tactic. This is the sending of Afghan children to the Soviet Union in large numbers for indoctrination.

No one in the West knows exactly how many children have been taken to the Soviet Union, but sources among the mujahidin, or resistance movement, put the figure as high as 60,000. Two men in the resistance movement who are now visiting the United States, Mohammed Ba'Haq and Wakil Akberzai, saw a deep and depressing message in the program to indoctrinate young Afghans.

"The Soviets came on a short-term pretext," Mr. Akberzai said, "to safeguard their borders. But it has turned out to be a long-term process, the Sovietization of Afghanistan and of Afghan children."

By now it seems clear that the Soviet Union cannot impose itself on Afghanistan without a continuing heavy cost. The mujahidin fight on. The Soviet-imposed government in Kabul has not attracted any respected Afghans to join it. Is there any way out of a situation that is destroying Afghanistan and bleeding the U.S.S.R.?

United Nations-sponsored negotiations, just resumed in Geneva, are looking for that way out. The crucial issue is whether Soviet leaders, who have talked of withdrawing their forces from Afghanistan over a period of years, will agree to withdraw in a time period short enough to make the Afghans—and the West—believe that they really intend to let Afghanistan decide its own fate.

Soviet leaders no doubt fear that if they pull out unconditionally, a government hostile to Moscow will take over—and that the United States will keep sending weapons to the Afghans. Those are risks. But they are risks that must be taken if Mr. Gorbachev wants to get out of Afghanistan unscathed. And it is as good a time as any to take them.

The Reagan administration, ready to do business with Mr. Gorbachev on other matters, is more likely now to respond with restraint to a genuine move from him in Afghanistan. As for the resistance, Mr. Ba'Haq said, "We have no real disputes with the Russians, in land or economics. We can assure them that a government chosen by Afghans would have a congenial status. I see no real problem except the pride of a big power."

That is a terrible problem for the United States demonstrated in Vietnam. Mr. Gorbachev will not find it easy in his political system to pull out of the Afghan disaster. But his initiative has to come from him.

The New York Times.

Two Years On, Gorbachev Faces Growing Resistance

By Marshall I. Goldman

WELLESLEY, Massachusetts — Mikhail Gorbachev completes his second year in power Wednesday. He has attracted so much attention that it seems more like a decade.

There are some strong indications that he is encountering widespread opposition. Some American specialists like Jerry Hough doubt this, arguing that he is relatively secure. How real is his opposition?

Since October 1982, shortly before Leonid Brezhnev's death, 70 percent of the members of the Politburo and 40 percent of the members of the Central Committee have been replaced. Not all of these replacements necessarily support Mr. Gorbachev, but they should provide him with a comfortable political base.

The Gorbachev reforms have been welcomed by most of the Soviet intelligentsia. They seem elated by the release of Andrei Sakharov from exile, the freeing of many dissidents from prison and the easing of censorship.

But by no means does Mr. Gorbachev have a free hand. The Soviet press carries daily criticism of life in the Ukraine, indicating that Mr. Gorbachev wants to remove Vladimir Shcherbinin, the party chief there. But thus far he has had no success.

Mr. Gorbachev himself has complained that he had to postpone the January meeting of the Central Committee three times because of opposition to his proposals. When the Central Committee Plenum was finally held, his bold calls for secret balloting and multicandidate elections for party and government positions was ultimately muffled in a final report.

Mr. Gorbachev's problem is that the very things that win him support from the intelligentsia engender opposition from other parts of society. And an expanding circle of vested interests is affected by the unprecedented scope of these measures. Nor is there any indication that Mr. Gorbachev plans to slow down to consolidate his position. It is as if he has decided to offend almost everyone at once and hope the shock immobilizes them.

The evidence points to these major sources of opposition to reforms:

- The bureaucrats. Officials in party and state organizations are distressed. To them, the call for election is equivalent to abolishing tenure in U.S. universities—a threat to those who had taken the future for granted.
- The military. Soviet defense officials resent what they see as their downgrading. Although Viktor Chebrikov, the head of the KGB, is a full member of the Politburo (as was Defense Minister Dmitri Ustinov), the current defense minister, Sergei Sokolov, is only a nonvoting member. Reportedly there has been grumbling about a secret Gorbachev speech in Minsk in May 1985, in which he criticized military cost overruns and threatened to cut defense spending. The generals also have complained about Mr. Gorbachev's moratorium on atomic weapons testing, and about his new arms proposals.
- The workers. For them, reforms have meant only more work and inconvenience, while food and housing supplies remain as poor as ever. Workers also complain that Mr. Gorbachev has begun to institute shift work, disrupting family life. And he has tightened quality requirements, so that if output does not pass inspection, workers are not paid. These procedures are said to have provoked riots at the big truck plant on the Kama River, a tributary of the Volga.
- The ideologues. Soviet conserva-

tives are stunned by what they consider a rejection of fundamental tenets of communism. For instance, after a 50-year absence, capitalist businessmen are being welcomed into the Soviet Union as partners in joint ventures. And beginning May 1, a new decree will legitimate the operation of private business.

Criticism of the reforms has appeared in the press. A reporter for *Trud*, the trade union paper, asked whether it is necessary to involve capitalists in developing the Soviet economy. He asked: "Will this not make us dependent on capitalist states?"

The conservatives are said to have insisted on a crackdown against illegal private activity before they would agree to any legitimation of private trade. The KGB's roughing up of protesters in Moscow is also a conservative reaction. A Soviet newspaper's decision not to publish an interview with Andrei Sakharov is another.

For most conservatives there are already too many signs of liberalization. They worry that this lax atmosphere may spawn dangerous social upheaval, as presaged by the recent riot in Kazakhstan and another in a tributary of the Volga.

• The ideologues. Soviet conserva-

He presses forward, as if trying to offend almost everyone at once.

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• The ideologues. Soviet conserva-

Straining Mightily to Uproot Stalinism

By Stephen F. Cohen

PRINCETON, New Jersey — Two years after Mikhail Gorbachev became leader, it is clear that he represents the possibility of historic change. The reforms he is proposing, if fully implemented, would greatly reduce the monopolistic system of state control created by Stalin. This possibility explains Mr. Gorbachev's call for "revolutionary transformations" and the intense resistance it has aroused on many levels.

The importance of the struggle cannot be understood apart from the history of the Stalinist system. A much less encompassing kind of Communist rule existed in the 1920s, the era of Lenin's New Economic Policy, or NEP. It was characterized by limited state intervention in society; a market economy in which a large private sector competed with nationalized enterprises; a vigorous cultural and intellectual life; and a significant degree of open debate in the political institutions.

All of these features were abolished in the 1930s by Stalin's draconian policies of collectivization, industrialization and mass terror. They were re-

placed by a vast, hypercentralized bureaucratic state demanding absolute control over almost every social undertaking. The Stalinist system turned a backward peasant country into a world power, but its continued survival has long been viewed by many Soviet citizens as anachronistic.

The first effort to reform the Stalinist system, under Nikita Khrushchev from 1953 to 1964, achieved important successes. Mass terror was ended, state and party controls were relaxed and debates about more far-reaching change were permitted. But Khrushchev's reforms stopped far short of challenging the basic Stalinist structure or principle of statist control over society.

Therein lies the historic nature of Mr. Gorbachev's proposals to transfer effective management of government-owned industry and agriculture from Moscow ministries to factories and farms; to end the state economic monopoly in important areas by encouraging private enterprise and market

Sweden's Press: So Free but So Docile

By Richard Reeves

STOCKHOLM — Sweden has what is probably the freest press in the world. It is certainly the most popular. Each day, 525 newspapers are sold for every 1,000 Swedes, and those dailies are published under laws that make American freedom of the press, freedom of information and press shield laws look half-hearted.

In Sweden, for example, it is a crime for a government official to try to find out the source of a news leak; it is a crime for a journalist to reveal the name of a source; and the names of journalists are inadmissible in court during libel trials.

An American reporter is tempted, at first, to think of the place as heaven come to snowy earth. But that feeling fades. I came to think that the U.S. system of less legal protection and more pugnacious confrontation is superior. I doubt the Swedish press has the will or the means to pursue stories like Watergate or Iranagate—as it lacked something essential in pursuing Sweden's biggest recent story, the assassination of Prime Minister Olof Palme on Feb. 28, 1986.

Swedish newspapers, the serious morning papers and the sensational afternoon tabloids, look like lively examples of freedom without independence. They are self-disciplined and proud of it. They seem to see themselves as part of a Swedish consensus, not as an institutional adversary of the powers that be.

Lennart Gornli is a former national press ombudsman; he handled the public's complaints about the press. Swedish journalists, he said recently, "are generally aware that

checked the police's work. So, even as they reported the string of police blunders, they relied almost totally on police information—essentially validating the authority of incompetent authorities.

The police spent the year (and \$6 million) chasing a few members of the Kurdish Workers Party, communist exiles from Turkey who were invited in under Sweden's official policy of encouraging "national liberation movements."

When the case against the Kurds apparently collapsed last month, police were left with nothing—and so was the press. There simply had been no independent checks into suggestions that Mr. Palme's death may have been related to illegal Swedish arms sales to Iran—a scandal something like America's Iranagate—or to the prime minister's private life. In regard to the latter, both police and press indicated such speculation and investigation would be improper because of "the Nordic ethic."

Private lives of public people are politely ignored in the Swedish press. But at the same time, without using names, newspapers used police leads to effectively identify Kurdish suspects under headlines like this one: "You Are the Killer."

When I told the current press ombudsman, Thorsien Kars, that in the United States such coverage might lead to a lynching, he said, "Oh, we're too quiet for that."

And so, with all of its freedom, is the Swedish press. It takes the quieter, less disciplined American version of freedom of the press.

Universal Press Syndicate.

relations: to reduce censorship; and to diminish bureaucratic control.

These reforms would devolve considerable authority to local work places, soviets, unions, theaters, editorial offices and the like. The new system would still be subject to Communist Party domination, but it would constitute a substantial de-stalinization and liberalization, and therefore a fundamental de-Stalinization of the Soviet system.

That such a reformation is the goal of Mr. Gorbachev and his supporters is confirmed by their demand for "a deep restructuring of the entire system." Calling upon Lenin's NEP for inspiration and legitimacy, their indictment of Stalinism exceeds anything previously allowed.

Not surprisingly, Mr. Gorbachev's call for a new way of governance has collided with powerful interests and attitudes. The Central Committee plenum in January endorsed much less than Mr. Gorbachev proposed, despite his apparent threat to resign.

His hope seems to be that reformers eventually can erode conservative attitudes that from the most widespread obstacle to change. Here, too, Mr. Gorbachev is in direct conflict with the Stalinist era. Viewed in this context, his campaign for glasnost, or openness, in the media, which has pitted his way of "new thinking" against Stalinist dogmas, is his most important achievement so far.

Mr. Gorbachev and his supporters now say the full reformation they seek will require decades. Increasingly, they speak of the need to find ways "to make the process of change irreversible." These words reflect the scope of their anti-Stalinist purpose and the resistance it is meeting.

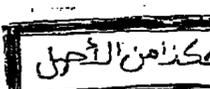
All this demands a clearer understanding of what Mr. Gorbachev represents. And we must also consider the historic possibility of a new kind of relationship with the Soviet Union.

The writer is professor of politics at Princeton University and a frequent commentator on Soviet affairs.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: President Yuan PEKING — The great event today [March 10] was the installation of Yuan-Shih-Kai as Provisional President of the Republic of China. The ceremony took place in the new Wai-Wu-Pu (Foreign Office) building. Yuan-Shih-Kai entered the hall, the assembly bowing to him. He read from a document the oath of fidelity. Thereupon the chief Nanking representative advanced, received the document and made a reply. The President responded, reading again, and the ceremony was completed. Two Grand Lamas advanced and presented two golden Buddhas, covered with the ceremonial cloth called "hata," which bears the character of a tribute to the "supreme earthly chief." Yuan-Shih-Kai, taking up the "hata" and scarves, placed them around the necks of the Lamas, which was equivalent to saying he is the sovereign.

1937: Armed, Now Talk NEW YORK — [Dorothy Thompson writes:] The armistice race was started by Germany, Italy and Japan. Germany has seized China, and threatens England, Dutch and French possessions in the Pacific. Italy has seized Ethiopia and forced British renunciation by her policy in the Mediterranean. Hitler has put all of Germany upon a war basis, with the avowed intention of expansion. England and France have offered to negotiate economic readjustments with Germany and Italy in return for a halt in armistice. Rearmament of the democratic countries follows. If within the next few months nations prepare to seek their aims by negotiation, catastrophe may be averted. That is the only hope. And that hope is forborn as the United States clings to a totally unreal theory of isolationism.



OPINION

The Open Question About Reagan

By George F. Will

WASHINGTON — An elderly actor has said, "I'm now at an age when I've got to prove that I'm just as good as I never was." Rex Harrison's jest is Ronald Reagan's task. He has begun with his brisk speech last Wednesday, which was stocked with the required moral, tactical and strategic categories.

There was the language of moral responsibility. There was tactical shrewdness. (In Washington, the best way to change the subject is to change the furniture, meaning the personnel.) And there was the strategic recognition that the open question — opened by his recent behavior — concerns the sufficiency of his energies, his intellectual and emotional application more than his physical stamina.

Alexander Hamilton, the founding father most relevant to the realities of the modern American state, stressed the sovereign importance of "energy in the executive." Mr. Reagan's understanding of that may still be insufficient. The disquieting passage in his speech was his assertion that ransoming hostages resulted because he asked too many questions about hostages.

He certainly asked the wrong questions. He did not question the assumptions of the entire Iran initiative or the wisdom of its advocates. Worse, his diagnosis of his failure — too many of the wrong questions — suggests an essentially passive presidential function, the questioning of others' initiatives. Until he decides to be more of an initiator, rather than a mere inquisitor, he will not be "just as good as he never was."

Mr. Reagan never was the irresistible force he once appeared to be because the Democratic Party was such a movable object. His electoral record and early legislative victories led to hyperbole. And now Washington, reversing form, is saying that his shortcomings validate, retroactively, all the condescensions of the intelligentsia.

The apotheosis of Howard Baker is but the freshest evidence that too much winter has unhinged judgment in Washington. How else explain the apparent conviction that the White House chief of staff, occupying a position that a generation ago had not yet congealed from accumulated functions, is now the crucial variable in the equation of government?

Mr. Baker is one of Washington's grown-ups and will accept adulation in the spirit that Jack Benny accepted an award: "I don't deserve this, but then, I have arthritis and I don't deserve that either." Such giddiness as Baker-mania is as American as (a sage has said) French toast and English muffins. But it obscures a fact: The government is energized, if at all, from the Oval Office, not from down the hall.

I could be accused of worshipping at Mr. Baker's shrine. He was my presidential choice in 1980. But it is preposterous to think that his White House presence is much more than the negative guarantee that outright lunacy will not again flourish within the White House fence.

Avoidance of lunacy is an insufficient agenda. Mr. Baker's genius blossomed when, as Senate majority leader, he was handed Mr. Reagan's agenda. Mr. Reagan's

task today is to hand him another agenda. The president should not just settle for the theatricality of summery and the superstition of arms control, two vices by which presidents, unlike the nation, prosper.

His recruitment of Mr. Baker shows that conservatism is coming of age by acknowledging that government is a dignified, demanding profession. Mr. Reagan, who used to ridicule the "Washington buddy system," now knows that people like Mr. Baker, who is everybody's buddy, come in handy.

When Republicans are in their bluff, towel-mapping, locker-room mood, they sound too much the way the White House's fallen cowboys, Oliver North and such, sounded in conversations reported by the Tower commission. The cowboys' self-congratulatory exchanges reek of contempt for people who practice the patience demanded by democracy and who accept the procedural accommodations required by anything as orderly as government.

Now, assuming that the Oliver Norths have been removed from the precincts of power, is it too much to hope that their journalistic equivalents can be sedated? A wit has said that everything in newspapers is true except reports of events about which one has personal knowledge. I know

there are journalists who recently would have lost their reputations for seriousness, had they such, by writing the rubbish that has been said about Nancy Reagan.

It has been feverishly reported that she issued a statement she did not issue, attended a meeting she did not attend, caused hirings and departures of people whose hirings and departures she had nothing to do with, and espouses views she does not hold. No wonder that when Howard Baker asked her opinion of the appointment of William Webster as CIA director she recoiled, saying she did not want to have opinions about everything.

The suggestion that Mrs. Reagan is a Catherine de Medicis is issuing from the same press corps that six years ago believed, with equal certitude, that she was Valley Girl emerita, interested only in clothes and tableware. Some Washingtonians who preen themselves on perfect attentiveness to feminist sensibilities seem scandalized by Mrs. Reagan's audacity in having opinions and her impertinence in not sealing them in a mason jar.

The prize for solemn nonsense goes to those who have concluded that an opinionated first lady is an affront to the constitution. Imagine, a first lady who has opinions. Who does she think she is? A citizen? An editorialist? Eleanor Roosevelt? Washington Post Writers Group.

It Isn't 'Light to the Gentiles' Or Even Bright for Most Jews

By Jacob Neusner

PROVIDENCE, Rhode Island — Where, really, is it better to be a Jew? Apart from some fine fiction, Israeli art and creative life have made only a slight impact on American Jews. They do not look to Tel Aviv for stimulation or for imagination. And throughout the Jewish world, people do look to America.

Then what about Jewish scholarship? There, at least, from the Hebrew-speaking

MEANWHILE This is the second of two articles

country, should come light and insight. In fact, Jerusalem is no "light to the gentiles," or even to the Jews.

The poorly kept secret is that except in a few areas of natural strength, such as the archaeology of Israel or Hebrew language studies, Israeli scholarship is pretty dull. After Martin Buber, not a single major Israeli thinker has made a mark outside the intellectual village of Jerusalem. After Gershom Scholem, not a single Israeli scholar in the study of Judaism has won any audience outside of Israel.

No historians, no philosophers in Judaic studies have a hearing overseas. Israeli scholarship boasts no social scientists working on Jewish materials in a way that interests anyone but Jews. Israeli scholarship in Judaic studies is provincial, erudite, unimaginative and unproductive.

And everywhere in the Jewish world, Jewish scholarship produced in the United States is read. Books of Jewish history, religion, literature and philosophy written by Jewish Americans appear in all European languages. American Jewish theologians led in the Jewish-Christian ecumenical movement. Israelis take a second place.

Then what about living in the state of Israel to recharge our Jewish batteries? It has wonderful hotels, great scenery, first rate tours, and Jewish everything.

Beyond that, world Jews have voted with their feet. When the Algerian Jews were driven out of Algeria, the French offered them the same settlement aid to go to Haifa or Lyon. Most chose France. When Soviet Jews leave for the West, some choose Israel. Most do not. More Israelis live in the United States than in Jerusalem.

What about the political change that Israel has brought about for world Jewry? No doubt, the sight of a Jewish state defending Jewish lives moves us all. If only it had come a decade sooner!

Israelis tell us that they have made the Jewish people independent for the first time in 2,000 or more years; not only is there a Jewish state now, but the Jewish people, as a political entity, are able to dictate their own fate and future.

Would that it were so! In fact the state of Israel is a client state, not Sparta or Athens, either. Having priced itself out of independence in economic terms, and because of recurring wars, the state of Israel depends

upon a generous America. That is natural in a world divided between superpowers. But it does not add up to independence.

For one, Americans think the state of Israel has allied itself so closely with the United States. I think it is good for America to have a really strong, reliable and stable ally in the Middle East. But it is hard to see how Israeli dependence on U.S. military and economic support squares with the claim that Jews, if they live in the state of Israel, are all that independent.

Then what about religion? At least in this respect the Jewish state should have kept its promise.

In some ways it has. I cannot imagine anything more beautiful than the Sabbath in Jerusalem or the pilgrim festivals in Galilee. Nor is there more pleasure in this life than attending a worship service in an Israeli synagogue where the people believe with all their hearts the truth of every word of worship — which they understand and fully grasp. And if you want to see a national society that treats the aged with dignity and children with unexpressed love, go to the state of Israel. They have human lessons to teach us all.

One thing the Israelis have not yet solved is how to provide religious freedom for Jews. For instance, as a Conservative rabbi I have no standing in the state of Israel — unless I accept the status of a heretic. The state supports and recognizes only Orthodox, and Orthodox of a peculiarly primitive character at that. Orthodox rabbis just now have told women to stay away from burials of the dead because they are "impure." So much for state Orthodoxy in the state of Israel. Reform, Conservative and Reconstructionist as well as Orthodox Jews enjoy religious equality in America, but not in the state of Israel. In sheer numbers, these non-Orthodox Judaism's dominate world Jewry, but the state of Israel treats them as heretics.

Not a single Israeli rabbi or other religious figure can claim to exercise moral authority outside the state of Israel. In fact, beyond the limited circles of Orthodoxy within the state of Israel, not one religious figure has an audience of any kind. The Israeli rabbinate lacks all moral standing in the Diaspora, for Reform and Conservative Jews who make up the vast majority of Jews in the United States and Canada.

So much for being a Jew in the state of Israel. Here in the Diaspora we can be what we want, when we want — from nothing to everything, all the time or once in a while. Freedom is nice, too. And the United States really has become a free country for us Jews. For American Jews — Jewish Americans — the American dream has come true. I wonder how many Israelis think the Zionist one has come true, too.

The writer, a rabbi, teaches Judaic studies at Brown University. He contributed this column to The Washington Post.

LETTERS TO THE EDITOR

How History Will Treat Reagan (and Two of His Predecessors)

I read with dismay and befuddlement Bernard Weinraub's report, "Nancy Reagan to Continue Active Role" (March 4). One reason put forth for her intrusiveness in affairs of state was her "awareness that this scandal could tarnish" President Reagan's "name in history."

Has it occurred to no one in or around the White House that this obsession with Mr. Reagan's "place in history" could be one of the primary reasons for his current predicament? Leaders become historical figures by their presence and involvement in the realities of their day, by their unflinching efficiency and attentiveness to quality.

President and Mrs. Reagan are reported to be concerned about Mr. Reagan's place in history. Well, I can tell them — he will go down as the greatest mass hypnotist since Hitler. Even now, if one can believe the polls, half of all Americans believe that Mr. Reagan is a strong leader and doing a good job, when the rest of the world knows that he has single-handedly brought the United States into ridicule, and to moral and financial bankruptcy.

"Cometh the hour, cometh the man," they say. Where on America's vast horizon is he to be found? America and the world need a new Harry Truman.

R.H. LLOYD, Hong Kong.

Mario Cuomo may have dropped out, but Americans still have a superbly qualified candidate for the 1988 presidential election. I have in mind an honest man with superior experience, a man who lost no U.S. fighting men in vain acts of aggression, whose foreign and domestic policies were coherent, who almost single-handedly brought peace between principal antagonists in the Middle East, who fought the odds for the sake of a balanced budget, human rights and simple justice. Think about what has happened since — then bring back Jimmy Carter.

MORTON PUNER, Saint-Tropez, France.

Who Got the Money?

Regarding the New York Times editorial "Privatized Diplomacy" (Feb. 9): The Times expresses concern about "a deep and dangerous dimension to the Iran-contra crisis: privatized diplomacy," and rightly points out that a president needs neither the State Department nor Congress to carry out such a policy. How far have the tentacles of corruption reached? We may never know, but I wonder why the editorialist failed to state unequivocally that as long as it is "unclear who got the money," any reform steps have little chance to succeed.

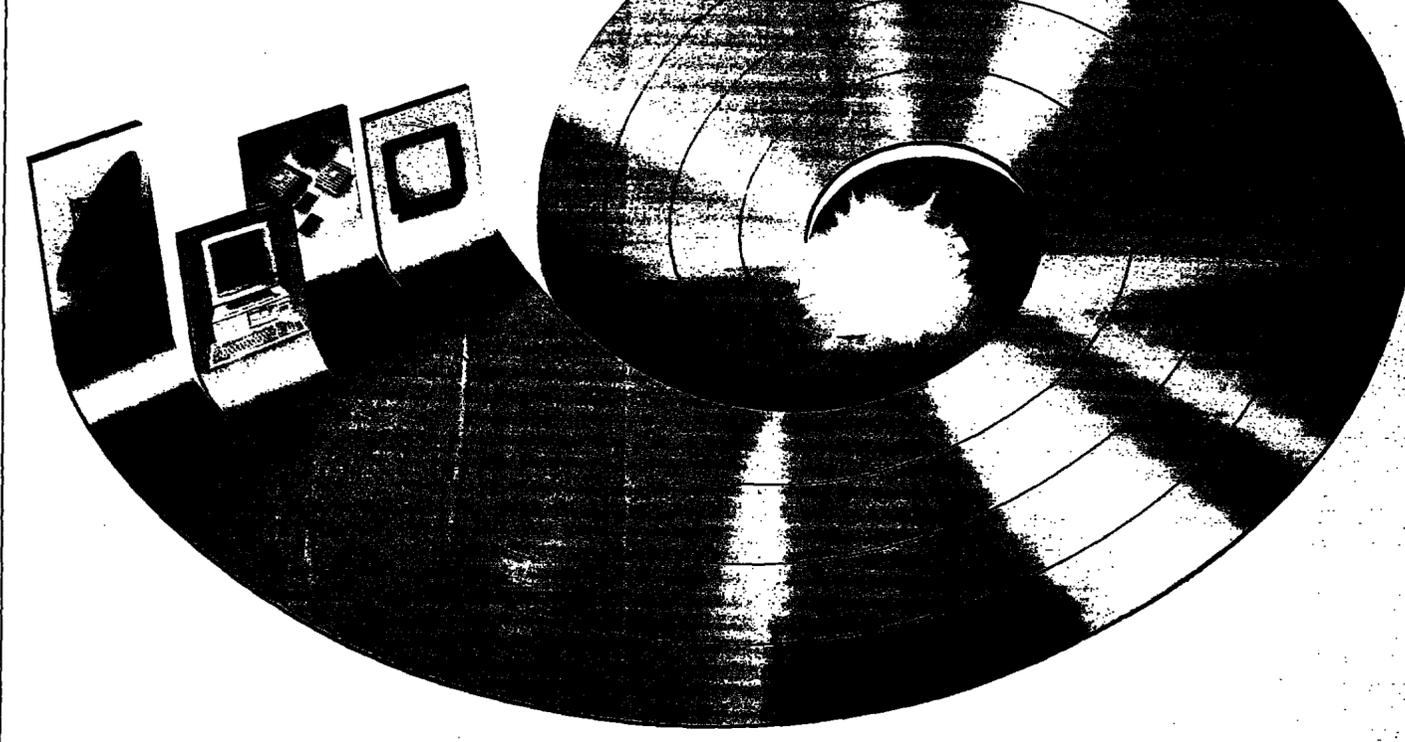
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مكتبات الاصل

Check, Checkmate in the Pacific

Soviet Fleet Grows, but U.S. Still Holds Balance of Power

By Michael Richardson
International Herald Tribune

SINGAPORE — Despite a sustained buildup since 1983 that led the United States to warn of impending Soviet superiority, Soviet naval power in the Pacific still lags behind that of the United States, according to American and allied officials.

The officials said, however, that Moscow would continue to vigorously try to close the gap and that this would impose heavier military obligations on U.S. allies in the region, especially Japan.

The United States has formal defense agreements with five Pacific countries: Japan, South Korea, Thailand, the Philippines and Australia. It has routine access to bases and communications facilities in Japan, Korea, the Philippines and Australia.

U.S. and Australian officials differed sharply in their view of the significance of Soviet access to air and naval base at Cam Ranh Bay and other military facilities in Vietnam. This has been one of the most highly publicized extensions of the Soviet military presence in the Asia-Pacific region in the past few years.

Admiral Ronald J. Hays, commander of U.S. forces in the Pacific, said recently that the Soviet Union had developed a potent, nuclear-capable strike force and "a full-support operating base" at Cam Ranh Bay since they started using it in 1979.

This was "the second most dramatic change in the strategic equation" in the Asia-Pacific area, he asserted, since the Soviet intervention in Afghanistan eight years ago. At Cam Ranh Bay, according to

Admiral Hays, the Soviet Union usually has 20 to 25 surface warships, three to five submarines, a squadron of MiG-23 fighter planes, a squadron of Badger bombers, some long-range maritime reconnaissance and anti-submarine warfare planes, a naval infantry unit and surface-to-air missiles.

But Bill Hayden, Australia's foreign minister, said last week that he had been told by Eduard A. Shevardnadze, the Soviet foreign minister, that the Soviet naval presence in Cam Ranh Bay was at a low level.

Mr. Hayden said the statement by Mr. Shevardnadze, who is in Indochina this week for talks with Laotian, Cambodian and Vietnamese leaders, was "incontestable."

And Kim C. Beazley, Australia's defense minister, told Parliament in Canberra on Feb. 26 that the Soviet Union did not deploy "front-line" ships or submarines in Vietnam.

Soviet planes at Cam Ranh Bay, he said, were "lined up like 10 green bottles hanging on the wall" and the base would not survive for more than a day in a war between the United States and the Soviet Union.

"The true significance" of the Soviet presence at Cam Ranh Bay, he said, was the political influence it gave Moscow in the region, rather than military capacity.

Alvin H. Bernstein, chairman of the Department of Strategy at the U.S. Naval War College, said expansion and modernization of the Soviet fleet had made Moscow's geopolitical position in Asia, the Pacific and the Indian Ocean "sub-

stantially stronger" than two decades ago.

Mr. Bernstein, who is in Singapore this week on a lecture tour, noted that since 1965 the Soviet Pacific fleet had nearly doubled in size to more than 800 ships and was now the largest of the four fleets in the Soviet Navy.

The size of the Soviet fleet, he said, did not match the superior quality of U.S. naval forces in the Pacific, and was unlikely to do so soon.

One reason Moscow valued access to Cam Ranh Bay, Mr. Bernstein said, was that the Soviet Pacific fleet, from its three main bases in Siberia, could only reach the open sea through relatively narrow straits that either froze in winter or lay between Japan and South Korea and were patrolled by hostile forces.

The Australian defense minister said that over the last six years the United States had "considerably increased its maritime power and I believe effectively checkmated any position that the Soviet Union had developed in the Pacific."

The figure of 800 for the Soviet Pacific fleet, Mr. Beazley said, included tugs, river craft and coastal auxiliaries. The U.S. Pacific fleet, he said, had 102 major surface warships, 20 more than the Soviet Union.

Admiral Hays said U.S. forces benefited from a network of alliances, were better trained than their Soviet counterparts and had "a technological edge," although this gap was closing.

The Soviet fleet was strong in submarine operations, he said, and long-range bombers carrying long-



UNION PROTEST IN SYDNEY — Thousands of Australian union members in Sydney protesting on Tuesday a raise of \$10 a week announced for seven million workers as inadequate. Employer and business groups, which had asked the government to put a freeze on wages to help combat inflation, also derided the new wage increase.

range missiles presented "a new dimension in the Pacific, one for which we are inadequately prepared at this time."

Robert O'Neill, director of the International Institute for Strategic Studies in London, said that the United States continued to be in a stronger position than the Soviet Union in the Pacific and that it had to maintain control to protect its

allies and keep open lines of trade and communication. The striking power, range and quietness of Soviet submarines would continue to be upgraded, he said.

The Soviet Union, Mr. O'Neill said, was likely to introduce better naval aircraft and improved detection systems, particularly against submarines. The strike capability of Soviet surface forces would also

be improved, he said, and they would get better protection from aircraft based both at sea and on land.

"In short," he said, "the Soviet force structure in the Pacific will not look dramatically different in 10 years time but it will offer a steadily increasing challenge to the U.S. and its allies through greater capabilities."

In U.S., Skin Cancer Risk Rises at 'Epidemic' Rate

Scientists Link Increase to Depletion Of Earth's Protective Ozone Layer

By Cass Peterson
Washington Post Service

WASHINGTON — Skin cancer is increasing in the United States at "a near epidemic rate," according to a research physicist who testified Monday before a House of Representatives panel examining threats to Earth's protective ozone layer.

About one in seven Americans will develop skin cancer in his or her lifetime, Dr. Darrel Rigel of the New York University Medical Center told a House subcommittee on health and environment.

Malignant melanoma, the deadliest form of skin cancer, "has increased 83 percent in the last seven years alone," he said. "Melanoma is increasing faster than any other cancer except lung cancer in women."

Most skin cancers can be detected easily and, if found early, are rarely fatal.

Five years ago, researchers estimated that the risk of developing malignant melanoma was about one in 250, and that the risk would reach one in 150 by the year 2000. According to Dr. Rigel, the risk has already exceeded that level and is now expected to be one in 90 by the end of the century.

"To our chagrin," Dr. Rigel said, "we found our estimates were too conservative. Five years ago, it was unusual to see people under 40 with skin cancer. Now we often find it in people in their 20s."

Dr. Rigel joined other scientists in urging action to halt destruction of the stratospheric ozone layer, which screens out more than 90 percent of the harmful ultraviolet rays believed to cause most skin cancers.

Such calls have become increasingly urgent because of the recent discovery of a huge "hole" that appears for several months each year in the ozone layer over Antarctica. The finding alarmed scientists and public policy makers, who had predicted a much more gradual loss of ozone.

Susan Solomon, leader of a scientific team that measured ozone losses in Antarctica last autumn, said that researchers had not pinpointed the cause, but that "the best evidence" pointed to a class of industrial chemicals known as chlorofluorocarbons.

"I think we will eventually see large-scale depletion of the ozone layer at other latitudes," she said. "It's a question of when and how much."

Physicians have attributed the rising incidence of skin cancer to overexposure to the sun, partly because of the increased popularity of outdoor exercise in a society that equates tanned skin with health and vigor.

Rising concern over the health effects of ozone depletion has added urgency to international negotiations aimed at fashioning a global agreement on chlorofluorocarbon controls.

U.S. Says Envoy's Driver Sold Cocaine From Car

The Associated Press

NEW YORK — The chauffeur for the Norwegian chief delegate to the United Nations sold cocaine by the pound from the ambassador's limousine, according to U.S. authorities.

They said Rolando A. Vicerra, 35, a Filipino, was arrested Monday afternoon as he drove in midtown Manhattan to deliver a pound (454 grams) of cocaine to undercover agents.

Two Colombians in the car also were arrested, according to Robert Strang, spokesman for the Drug Enforcement Administration.

The car had diplomatic license plates, but none of the men has diplomatic immunity, the spokesman said.

Ambassador Tom Vraalsen, his staff and the Norwegian government were not involved, Mr. Strang

said. The arrest took place around the corner from the Norwegian mission to the United Nations, about half a mile (about 800 meters) from the UN headquarters.

The ambassador was not available for comment, but his secretary, Grete Ranberg, said, "He won't be happy."

The other two men arrested were Marco Lopez-Molina, 37, and Alejandro Rodriguez, 28. They and Mr. Vicerra live in the Queens borough of New York, Mr. Strang said.

The three were charged with possessing cocaine with the intent to sell it and conspiracy. Each offense is punishable by up to 15 years in prison.

Mr. Strang said Mr. Vicerra had tried to get undercover agents to enter UN grounds to buy drugs, but the agents refused.

Sales Tax, Party Dissent Undermine Nakasone

By John Burgess
Washington Post Service

TOKYO — Forecasts of Yasuhiro Nakasone's demise as prime minister have been heard many times. But it is generally agreed that during four and a half years in office, his control never has been less certain than at present.

Recent weeks have brought some unusual events in a system where politics normally unfolds by plan and schedule: a long parliamentary boycott, large opposition rallies and a revolt against the governing Liberal Democratic Party by some of its members and financial supporters.

This week brought news that a Socialist had defeated a candidate from the governing party by more than 2 to 1 in an election for a seat in the House of Councillors, the upper house of the Diet, Japan's parliament.

It was the first time a Socialist had won there since 1968. It was all the more humiliating because the loser was the wife of a Liberal Democrat who had died in office. In the family-oriented world of Japanese politics, she might have been a sure winner.

No one expects the Liberal Democrats, who have governed Japan for 32 years, to fall from power. The most that could happen is that another party figure would push out Mr. Nakasone. But the vote was seen as another sign of uncertainty over the government and Mr. Nakasone.

By any ordinary measure, Mr. Nakasone should be flying high. In July, he led the Liberal Democrats to the biggest election victory in their history. That prompted the party to break with tradition and give him a one-year extension in office.

But in the fall Mr. Nakasone began the politically trying task of tax reform. His government drafted a package of cuts in personal and corporate income taxes, to be roughly offset by a new 5-percent tax on receipts of businesses, similar to Western Europe's value-added taxes.

The party debated the sales tax in unusual detail, recalling that a similar proposal in 1979 had been blamed for a major electoral defeat. The party sweetened it by exempting some businesses, and in December approved it.

Normally, major decisions are made within the Liberal Democratic Party and the decision should have ended the debate. But in the Diet, things began to unravel. No one protested the tax cuts, but critics said the sales tax would

slow economic growth, fuel inflation and increase paperwork and overhead intolerably.

Opposition politicians attacked with rare unity. They boycotted the lower house and its budget committee. They mobilized affiliated labor unions and otherwise organized opposition to the proposal.

The Japanese desire for consensus makes the governing party reluctant to roll over the opposition with its 304-vote majority in the lower house. Moving ahead without offending the opposition to badly is one of the tests of a successful prime minister.

More troubling for Mr. Nakasone, however, has been dissent in his own ranks. One poll showed that only slightly more than half of the party's members in the Diet support it.

In Tokyo recently, two of the party's members appeared on the same stage with members of the Japan Communist Party as a rally against the tax.

Revolt also has stirred among some business groups that normally back the Liberal Democrats. The Japan Chamber of Commerce and Industry, representing small businesses, has come out against it, as have department stores, transport companies and supermarkets.

Mr. Nakasone refuses to back down, saying the tax is crucial to financial modernization. He has rejected charges that it violates an election pledge not to enact a "large-scale indirect tax." Last week he said it was only a "medium-scale" tax.

Since winning the extension of his term, Mr. Nakasone has never said when he will step down. There is talk in the press that he hopes to get another extension in October.

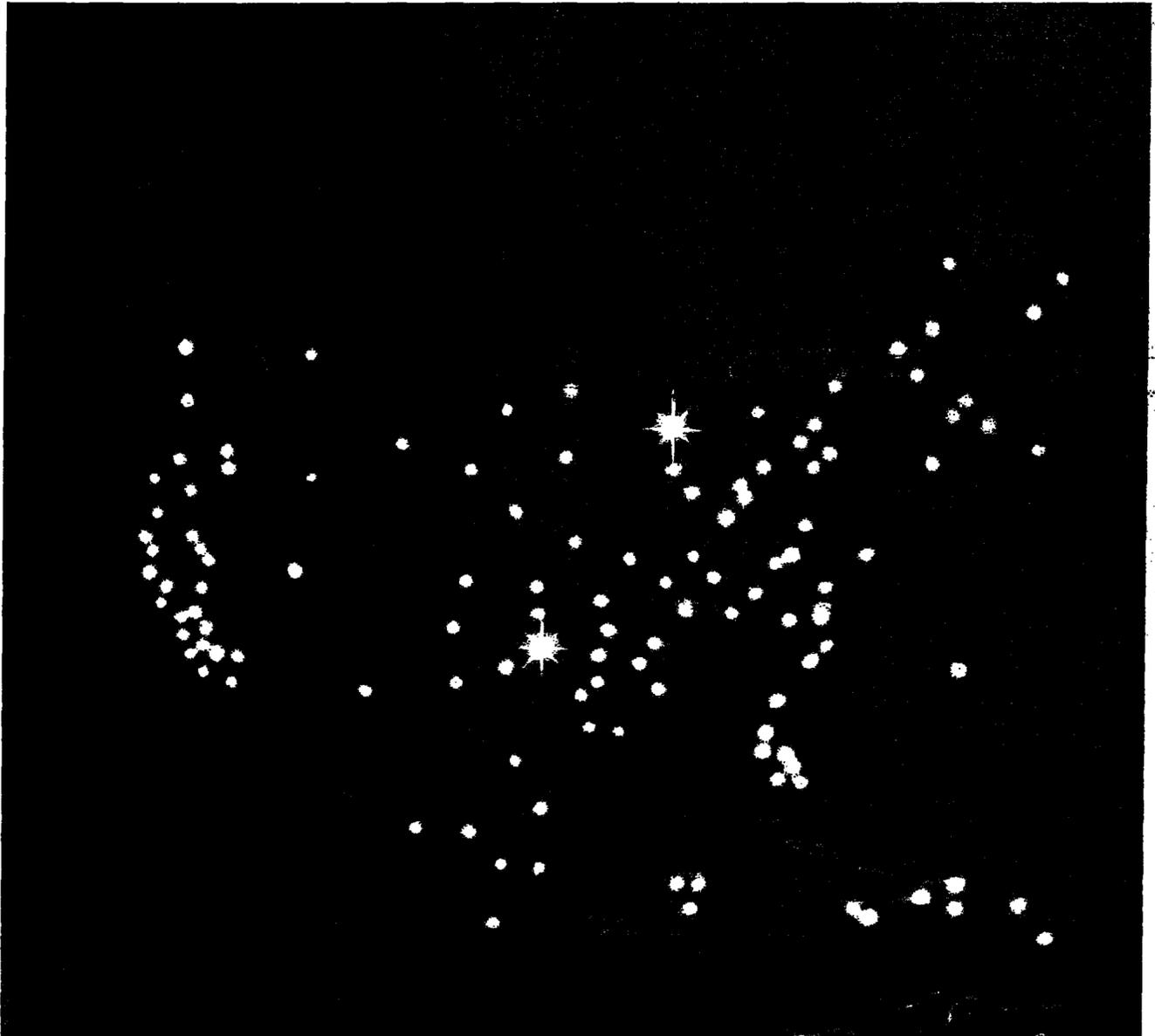
But if he was forced to withdraw the sales tax, some analysts say, the loss of prestige would force him to resign. Others see the package going through after some delay, with the proviso that its sponsor then will begin an honorable retirement.

Stoltenberg Appointed Oslo Foreign Minister

Reuters

OSLO — Prime Minister Gro Harlem Brundtland has appointed Thorvald Stoltenberg as Norway's minister of foreign affairs, government officials said Monday.

Mr. Stoltenberg, who served as minister of defense in Mrs. Brundtland's previous Labor Party government, succeeds Kurt Frydenlid, who died last month.



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ARTS / LEISURE

The Impeccable Ferré

By Hebe Dorsey
International Herald Tribune
MILAN — Princess Caroline...

designs with the American market in mind and American women do wear a lot of pants, which look passé to Europeans.

MILAN FASHION

Ferré also used a lot of leather shaped into his two favorite lines — one big and round with kimono sleeves, and the other tight and body conscious.

Ferré also used a lot of leather shaped into his two favorite lines — one big and round with kimono sleeves, and the other tight and body conscious.

Karl Lagerfeld, who designs several collections, has to love Fendi furs. For this refined designer has found in Fendi the total luxury in which he literally blossoms.

The newest thing at Fendi's this season are the "pleated" furs made of "poor" furs such as weasel or mole.



Ferré: "an explosion of big white waves."

The Young Vic Grows Up

By Robert Cushman
International Herald Tribune
LONDON — The Young Vic was founded in 1970 as a youth-oriented adjunct of the National Theatre...

proves very apt for Albee's play. Watching George and Martha in their poisoned marriage evokes boxing rings and bullfights as this is certainly the grimmest version of their home life I have seen.

THE LONDON STAGE

The theater commenced operations with an irreverent production of Molière's "Scapino" an immense success which finished up on Broadway.

But since 1984, with the arrival of a new young director named David Thacker, the Young Vic's image has changed.

many of them at one another's expense, but they also know how to gang up on outsiders.

What was good in the play remains so: its wit, the pungency of the salt it rubs into wounds, the redness of those wounds, the narrative verve of the first two-thirds.

for something: the decline of the West, of civilized values, or at the very least of the United States.

If the play's sparkle seems somewhat dimmed in this production it is because of an imbalance in the casting.

The play remains considerably more entertaining than its obvious model, Strindberg's "The Dance of Death," but less substantial too.

Gigli, Milan's Shy Aesthete

MILAN — "I love women to be totally themselves," Romeo Gigli says. "I love to see the body."



Joe Dorsey

Refusing to be photographed with his clothes, Gigli stays away from the fashion pack and associates with people in the arts, music, or the book market.

bringing them back for friends. Ten years ago, without any formal training, he started designing clothes.

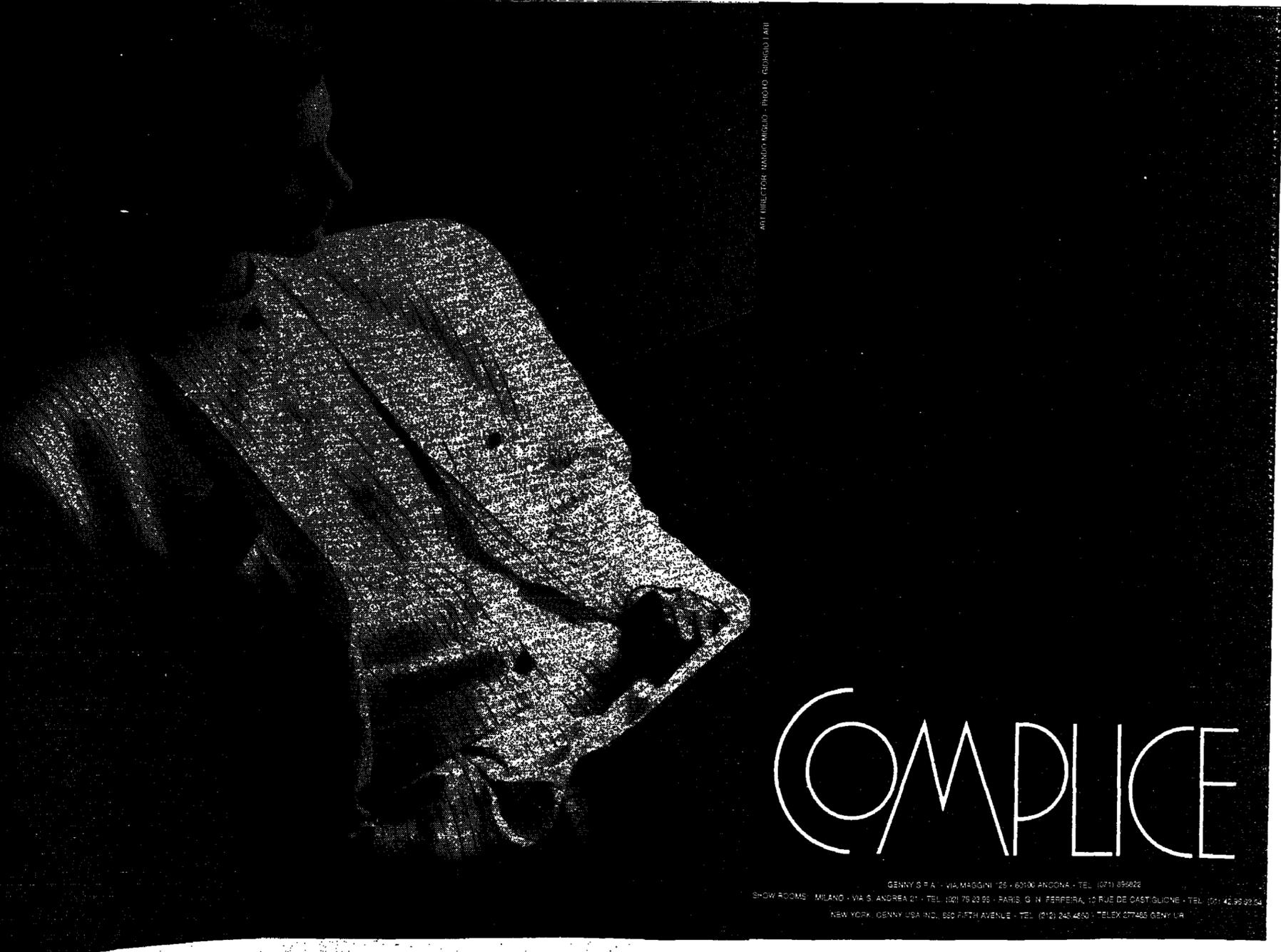
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NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE prev. close, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Thursdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Class, Prev.

NASDAQ Index table with columns: Composite, Close, Chg.

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials

NYSE Diary table with columns: Close, Prev.

Odd-Lot Trading in N.Y. table with columns: Buy, Sales, %NYT

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Class, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Late Buying Wave Boosts NYSE

NEW YORK — The New York Stock Exchange turned a deaf ear Tuesday to talk of a late buying capped a day highlighted by a surging IBM and continued takeover activity. The Dow Jones industrial average rose 19.97 to 2,280.09, just shy of the record closing high of 2,280.23, set Friday. Advances outpaced declines by about more than 3 to 2. Broad-market indexes set records. The New York Stock Exchange composite index rose 1.32 to 165.57. Standard & Poor's 500-stock index rose 2.56 to 290.86. The price of an average share rose 34 cents. Volume amounted to about 174.8 million shares, compared with 165.4 million on Monday. The combination of IBM and the rash of takeover activity has perked this market up and arrested the correction that was taking place yesterday, said Jon Groveman of Landenburg, Thalman & Co. He was alluding to a 30-point drop in the first 15 minutes of Monday's session caused by futures-related selling programs. "There is now a feeling in the market that we may be able to get to 2,300," Mr. Groveman said. "There is no steam on the downside." He said the market should be prepared to see an increase in program trading, which is more and more going to influence intra-day trading activity. Dennis Jarrett of Kidder, Peabody & Co. said, "Yesterday's downside did not show the dramatic drop it could have.

"IBM was also recommended, which being a barometer, has given a positive tone to the market." Mr. Jarrett said the lack of significant selling had also "given people a comfortable" feeling. "We could have seen a dramatic follow-through" to Monday's fall, he said. "In the intermediate term, we think this market is going much higher."

American Motors was the most active NYSE-listed issue, unchanged at 44. Chrysler said Monday it had signed a letter of intent to buy American Motors Corp. Chrysler was up 1/4 to 54.

Supermarkets General followed down 1/4 to 41 1/2. The Haff family of Washington Monday made a \$41.75-a-share bid for the food and drug chain. Occidental Petroleum was third, up 1/4 to 31 1/2. IBM jumped 4 to 142 1/2. American Express was up 2 1/4 to 79. The company announced plans to introduce the Optima Card, a credit card with extended payment services. AT&T gained 1/4 to 23 1/2. Reebok International was up 4 1/4 to 41 1/2 after announcing plans to acquire competitor Avia Group International for \$180 million.

Among the other active issues, Detroit Edison was off 1/4 to 17 1/2. Allegheny International gained 1/4 to 34 1/4 and General Motors was up 1/4 to 79. Prices were higher in active trading of American Stock Exchange issues.

The American Stock Exchange index rose 1.59 to 329.50.

Table A: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table B: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table C: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table D: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

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Table K: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table L: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table M: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

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Table O: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table P: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table Q: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table R: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

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Table U: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

Table V: 12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg. Chg.

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WEDNESDAY, MARCH 11, 1987

INTERNATIONAL MANAGER

Vexed? European Companies Expand Personal Counseling

By SHERRY BUCHANAN

LONDON — A small number of companies in Europe have decided that looking after their employees' personal problems benefits the corporation, too.

The majority of European senior executives still don't think it is the company's business to solve its managers' personal problems. If it is anybody's business, they argue, it is that of the health-care system.

Corporate involvement in the mental health-care network strikes many German managers as potentially politically reactionary, said Sara Blik, a director with Conecta Partners, a management consulting firm in Frankfurt.

But European companies that have recently introduced Employee Assistance Programs (EAP) find that their European staffs, far from being reluctant, are taking advantage of the company-paid service as often as their American counterparts do.

Control Data UK, the unit of the U.S. computer company, started its program in 1981, then introduced it to subsidiaries in France, West Germany and the Netherlands.

VW Finds Possible Swindle

480 Million DM Feared Lost

The Associated Press

WOLFSBURG, West Germany — Automaker Volkswagen AG said Tuesday it may have lost up to 480 million Deutsche marks (about \$239 million) through possibly illegal foreign exchange dealings.

Volkswagen has asked the Brunswick district attorney's office to investigate possible fraud, misrepresentation and forgery charges in connection with the transactions, a company spokesman, Ortwin Witzel, said.

He said the dealings may involve members of Volkswagen's management and people outside the company. He did not say what other companies may have been involved.

The losses surfaced when company auditors discovered that documents supposedly hedging part of Volkswagen's huge foreign income against a drop in the value of the dollar may have been forged.

Those transactions must be regarded as an open and the company must assume any resulting foreign exchange loss, he said.

Jeep Is the Jewel in Buyout of AMC

Expected to Save Chrysler Billions In Development

By Barnaby J. Feder

NEW YORK — "Nobody calls us just American Motors," W. Paul Tippet, the former chairman of American Motors Corp., was reported to have said.

Like the rest of the auto industry, AMC was the product of a series of mergers. But unlike Chrysler Corp., Ford Motor Co. and General Motors Corp., the result was never a company with the power or the cost structure to compete confidently at home or abroad.

On Monday, AMC's long struggle to maintain a separate identity apparently ended when Chrysler, the No. 3 U.S. automaker, agreed to acquire control of the company from France's Renault and said it would buy the rest of AMC's shares.

A maverick company formed in 1954 by the merger of Nash-Kelvinator and Hudson Motor-Car Co., two of the auto industry's oldest concerns, AMC championed small cars in the age of bigness.



A bar owner put up a new sign outside his tavern opposite American Motors' main plant in Kenosha, Wisconsin, after Chrysler's buyout announcement.

Burnham Lambert Inc. "Their cars were not competitive," Jeep, he said, "is highly profitable, a good product and there's nothing like it in the Chrysler lineup."

Japan's Surplus In Trade Jumps As Imports Drop

Compiled by Our Staff From Dispatches

TOKYO — Japan's merchandise trade surplus swelled 66 percent to \$7.13 billion in February from \$4.29 billion in January, reflecting a surge in automobile shipments to Europe and a plunge in imports of raw materials by ailing industries, the Finance Ministry said Tuesday.

The February surplus was \$1.82 billion less than the record \$8.95 billion in September, but was also above the \$3.94 billion figure last February.

The ministry's preliminary report also showed an unprecedented \$1.94 billion surplus with the 12-nation European Community, a figure likely to exacerbate trade tensions.

The French foreign minister, Jean-Bernard Raimond, urged Japan to reduce trade surpluses with the EC when he met Prime Minister Yasuhiro Nakasone on Monday.

ed a modest 1.9 percent gain, down from a 16 percent increase in January. Ministry officials said a 54.8 percent increase in automobile shipments to EC countries and brisk sales in the United States of office machinery and auto parts contributed to the double-digit rise in exports in dollar terms.

Bonn Confirms Economy Halted In Last Quarter

BONN — New statistics confirmed Tuesday that the West German economy, Western Europe's strongest, came to a halt in the last three months of 1986, and the government said the start of this year may also have been relatively weak.

Currency Rates

Table with columns for Currency, Rate, and Date (March 10). Includes entries for Aguardiente, Brunei, Frankfurt, London, Milan, New York, Paris, Zurich, and USD.

Table with columns for Currency per U.S. Dollar, U.S. Dollar per Foreign Currency, and U.S. Dollar per U.S. Dollar. Includes entries for Argentina, Brazil, Canada, etc.

Source: Reuters Bank of Tokyo, Citicorp, Credit Lyonnais, Deutsche Bank, etc.

Interest Rates

Table with columns for Currency, Rate, and Date (March 10). Includes entries for 1 month, 3 months, 6 months, and 1 year for various currencies.

Key Money Rates

Table with columns for Rate, Prev., and Date (March 10). Includes entries for 1-month Treasury bills, 3-month Treasury bills, etc.

U.S. Money Market Funds

Table with columns for Fund Name, Rate, and Date (March 10). Includes entries for Merrill Lynch Ready Assets, etc.

Gold

Table with columns for Location, Price, and Date (March 10). Includes entries for Hong Kong, London, etc.

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It should come as no surprise, then, that this pursuit of excellence results in considerable advantages to private banking clients, and the application of the very highest standards of excellence to the handling of

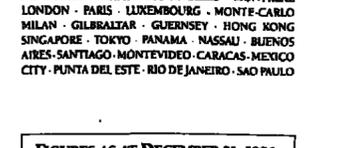
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FIGURES AS AT DECEMBER 31, 1986: TOTAL ASSETS: US \$168 billion SHARERS' EQUITY: US \$1.6 billion

Markets Closed Markets were closed Tuesday in South Korea for a holiday.

هكنا من الالجر

BUSINESS ROUNDUP

Iran Sells 25% Holding In Deutsche Babcock

FRANKFURT — Iran has sold a 25 percent stake in the engineering group Deutsche Babcock AG that it bought in 1975, a consortium of four West German banks said Tuesday. The consortium leader, Westdeutsche Landesbank Girozentrale, said the banks acquired the 126 million shares from Iran's central bank and would sell them to West German financial institutions in Shares in Deutsche Babcock, which specializes in building power stations and in environmental technology, fell 11.50 Deutsche marks (\$620) on the Frankfurt bourse on the news to close at 227 DM. At that level, the Iranian stake would be worth 286 million DM. WestLB declined to say how much Iran was paid for the shares. Share analysts said they believed Iran needed the cash to finance its war with Iraq after last year's fall in oil prices squeezed revenues. Iran bought the holding in Deutsche Babcock from the British firm Babcock & Wilcox in March 1975, when it was flush with oil dollars.

Enlarged USAir Forces TWA to Reconsider Bid

The Associated Press NEW YORK — Trans World Airlines indicated Tuesday it could scrap an attempt to acquire USAir Group Inc. because of USAir's \$1.59 billion agreement to buy Piedmont Aviation Inc. "In light of the merger agreement between USAir and Piedmont that was announced Monday, TWA is reassessing its strategy relating to its investment in USAir stock," TWA's general counsel, Mark Buckstein, said in a prepared statement. He would not elaborate. The statement came shortly after a U.S. District Court judge in Pittsburgh extended until March 23 a temporary restraining order preventing TWA from acquiring additional USAir shares. TWA, which has offered to buy USAir for \$1.65 billion, said Friday it owned 15 percent of USAir's common stock.

Salomon Appoints New Financial Chief

By Arthur Higbee International Herald Tribune Salomon Inc., the New York-based holding and financial services company, has promoted Gerald Rosenfeld to executive vice president and chief financial officer. Mr. Rosenfeld, 41, had been managing director of the mergers and acquisitions department. He joined the firm in 1979. In an additional and newly created post, Mr. Rosenfeld also will be chief financial officer for Salomon Brothers, the firm's investment arm. He also heads the Salomon Brothers capital commitments committee, which directs long-term financing and will remain in that post. As corporate chief financial officer, Mr. Rosenfeld succeeds Raymond L. Golden, 49, who has joined Trammel Crow Co., the Dallas real estate firm. The Massachusetts Institute of Technology has named Lester C. Thrurow, an economist, as dean of MIT's Sloan School of Management, succeeding Abraham J. Siegel, 64, who is returning to teaching and research. The Sloan school differs from most business schools, Professor Thrurow said Monday in its close relationship with the rest of MIT and the resulting stress on technology. Citing statistics that only about 30 percent of corporate managers have technological and production backgrounds, Professor Thrurow, 48, told The New York Times. "If we have anything to offer, it is a manager with technical competence." Born in the Montana copper country, the son of a Methodist minister, Professor Thrurow is a graduate of Williams College, re-

Floating Rate Notes

Table with columns: Issuer/Mat., Coupon Next Bid Ask, Dollars, and Pounds Sterling. Lists various floating rate notes from issuers like Citicorp, Citicredit, and others.

Ferruzzi Buys Up More of Montedison

RAVENNA, Italy — The Ferruzzi group said Tuesday that it had raised its stake in Montedison SpA, the chemicals group, to more than 37 percent from 27.6 percent. Ferruzzi said it had increased its stake through the acquisition from the Varasi group of a 50.2 percent holding in Pafinest, a Montedison shareholder, for about 320 billion lire (\$245 million). It said the stake acquired in Pafinest was actually about 60 percent but would fall to 50.2 percent after the conversion of bond worth around 125 billion lire. Ferruzzi said Pafinest, controlled by Varasi through, owns 9.48 percent of Montedison's ordinary stock. Pafinest also owns 1.2 percent of Montedison's nonvoting shares. Montedison's chairman, Mario Schimberni, said earlier Tuesday that Ferruzzi had acquired additional shares in Montedison but that the transfer had been effected without his knowledge. Ferruzzi, Italy's largest agricultural concern, said the agreement included the acquisition by a Ferruzzi company, Agriocem, of Finanziaria SpA of the Varasi family Pafinest from the Varasi family holding company, Varasi will acquire an undefined number of shares in Agriocem.

COMPANY NOTES

Amoco Oil Co.'s subsidiary, Amoco Orient Petroleum Co., has struck oil in its first exploratory well in the South China Sea and plans a second well in the area later this year. The first well could produce 2,240 barrels per day. Harper & Row Publishers Inc., the large U.S. publishing house, has received a buyout offer of \$190 million from Theodore Cross, a New York lawyer and editor whose family owns about 5 percent of the company's 4.4 million common shares outstanding. Mr. Cross proposed that the 170-year-old company be merged into a new company, as yet unnamed, that he would form. Hilliards P.L.C., the British supermarket chain, has rejected a buyout offer of \$151.4 million (\$240.27 million) from Tesco P.L.C., the diversified retailer. Tesco had offered 305.5 pence per ordinary share, a 37.6 percent premium over Monday's closing price. Hoogkong & Shanghai Banking Corp., Hong Kong's largest and most influential bank, announced a record profit of more than 3 billion Hong Kong dollars (\$384.5 million) and a rights issue to raise 3.3 billion Hong Kong dollars, amid speculation about a major acquisition. The 1986 result was a 12.5 percent improvement over 1985. McDermott International Inc., a U.S. maker of offshore oil rigs and power plants, has had a 54 percent stake purchased by companies toward the end of the year. Harold C. Simmons, a Dallas investor. He disclosed in a filing with the Securities and Exchange Commission

Amoco Oil Co.'s subsidiary...

that he paid an average price of \$22 a share, or about \$44 million, for the interest.

Noranda Inc., the Toronto mining and forestry group, plans a public share offering of undetermined size, within three months, of its Noranda Forest Inc. unit, which holds Noranda's forest products interests. Noranda Forest will operate as a freestanding subsidiary.

Statoil, Norway's government-owned oil company, said profits plunged by nearly half last year on low oil prices. Statoil's profit after tax dropped 47.7 percent, to 1.14 billion kroner, from 2.18 billion kroner in 1985. Operating revenues were 49.19 billion kroner, 2.23 billion less than in 1985.

Taft Broadcasting Co. of Cincinnati, Ohio, is the object of takeover bid by Carl H. Lindner, chairman of American Financial Corp. Mr. Lindner told the Securities and Exchange Commission that he had discussed acquiring control of Taft with a group of Taft managers, directors and shareholders. Taft's vice chairman, Dudley S. Taft, is leading another group offering to acquire the concern for \$145 a share, in a transaction valued at about \$135 million.

Walt Disney Co. has agreed to buy the independent Los Angeles television station KHI for \$320 million from RKO, a subsidiary of GenCorp Inc.; a diversified manufacturer in Akron, Ohio. It would be Disney's debut in the TV station business. The company already operates the Disney Channel, a cable television service.

COUNSEL: Some Workers Object

(Continued from first finance page) EAPs. It found that while 23 percent of employees surveyed said they had job-related problems, only 2 percent said they discussed this subject at the counseling service provided by the company. The reasons for this reluctance ranged from concerns about confidentiality to the belief that an EAP did little to improve poor management. Some senior executives in the European companies that introduced the program speculated that the service would be used mainly by blue-collar and clerical staff. But, according to Control Data, Exxon and GE, senior managers and clerical workers use it with the same frequency. "Our experience contradicts the notion that smart managers don't need this kind of service," said Dr. Binet of Exxon. The large percentage of Exxon's staff are managers

and highly skilled people. Indeed, GE's experience has been exactly opposite the European expectations. Factory workers at one GE plant are the main group that has shown little interest in the program. Apparently, real men don't need therapy.

"There is more of a macho problem at the shop floor level," said Paul Harrison, manager of employee relations at GE U.K.

To avoid the Big Brother image, European companies encourage employees to seek help themselves. Exxon says that 60 percent of the cases it handles are self-referrals, 30 percent are referred by the medical department and 10 percent by supervisors.

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CURRENCY MARKETS

Dollar Lower After Profit-Taking

NEW YORK — The dollar was lower Tuesday in what dealers said was relatively quiet trading for a space of profit-taking...

London Dollar Rates

Table with columns: Currency, Rate, Change. Includes Deutsche mark, Japanese yen, Swiss franc, French franc.

finance ministers of the United States, Japan, West Germany, France, Britain and Canada...

Fed Says U.S. Intervened to Aid Dollar

WASHINGTON — U.S. authorities intervened in the foreign exchange market to support the dollar...

Labor Costs in 3 Nations Rise Against Those in U.S.

WASHINGTON — For the first time since 1981, labor costs in West Germany, Switzerland and Norway rose beyond those in the United States last year...

AMC: Jeep Is the Jewel in Buyout

(Continued from first finance page) prevent AMC's share of the car market from declining to about 1 percent...

BOURSE: France to Relax Rules

(Continued from Page 1) French brokers' capital to end up in foreign hands. Mr. Lebegue also said the reforms would lead to total deregulation...

THE EUROMARKETS

Prices Lower With Little Retail Demand

LONDON — Eurobonds closed slightly lower Tuesday after a day of light trading that saw a spate of new issues but little demand from retail investors...

North Yemen Oil Discovery Is Said to Double Reserves

(The Associated Press) NICOSIA — New oil and gas fields have been discovered in North Yemen, doubling the known petroleum reserves...

Tuesday's OTC Prices MASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Large table of OTC prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

Table of stock prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

Table of stock prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

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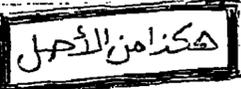
Table of stock prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

Table of stock prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

Tuesday's AMEX Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

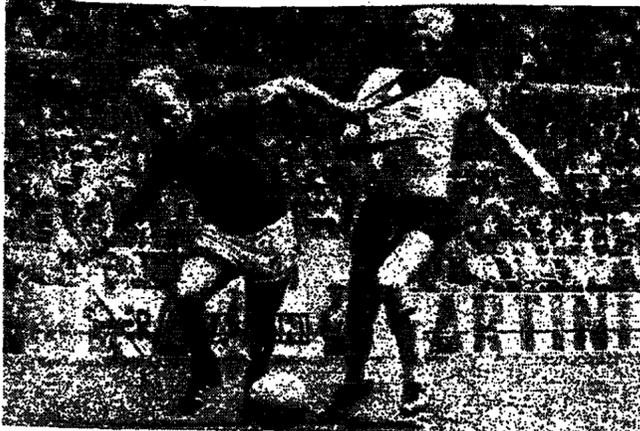
Table of AMEX closing prices with columns: Stock, Div. Yld., High, Low, P.A.M. Change.

SPORTS



An Old Pro Remains Well Above the Game

International Herald Tribune LONDON — There is a Mercedes in the driveway. And a Bentley. The house has tastefully reserved Tudor elegance...



Franny Lee, left, at the 1970 World Cup: A mite spiteful in getting his retaliation in first.

ROB HUGHES

men clamor to FA Cup knockout matches. Francis Lee will not cross the threshold to watch. In the decade-plus since he was center-stage, since his supercharged energy communicated the thrill of the goal chase...

by the change from game to business. His mother worked the night shift at a wool mill. Her rumbustious offspring found his escape in sport.

Every time I scored, business boomed. Still in demand, he abruptly quit soccer at 32. "I was so busy with my business," he says.

Not he. Bolton had soured and stimulated him to look for rewards outside soccer. Besides, Saturdays are race days.

NCAA Field Has Flaws, but Isn't All Bad

By John Feinstein Washington Post Service

WASHINGTON — The annual rites of determining college basketball's national champion began Sunday when the tournament committee named the 64-team field.

There is no way Louisiana State would have made the final four a year ago without playing two games on its home court.

That's why the automatic bid system is defensible. Is Pennsylvania as good as Louisville? Of course not. Is Bucknell as good as Jacksonville? No.

Qualified teams that care, even if they aren't as talented, deserve a shot. That's why the automatic bid system is defensible.

onship, emerging as the best among peers. Smaller schools from smaller conferences deserve a chance to play in the NCAA tournament.

So the tournament committee happily put Syracuse in Syracuse, Alabama-Birmingham (and also Alabama) in Birmingham, Arizona in Tucson, De Paul in Chicago, North Carolina in Charlotte and Indiana in Indianapolis.

SCOREBOARD

Table with columns for Hockey (NHL Standings) and Basketball (Selected Final U.S. College Conference Standings). Includes team names, records, and scores.

Table for All-America Selections, listing various sports and the names of the selected athletes.

Table for Final UPI Top 20, listing the top 20 performers in various sports.

Table for National Basketball Association Standings, showing conference and division rankings.

Foreman Lumbers Back Onto Victory Trail

SACRAMENTO, California — Former heavyweight champion George Foreman says he has lost at least 50 pounds. But after a successful return to the ring Monday night, he thinks he can recapture the title.

bleeding. "The referee stopped it because I wasn't throwing enough punches. I was getting tired, but I wasn't hurt."

"The crowd started booing," said Foreman, "and I realized I better go for the knockout."

They marked out a court, and the game they spawned became known as lawn tennis and played since the 16th century.

Lawn Tennis Will Return to Its Grass Roots

BIRMINGHAM, England — After an absence of more than 45 years, lawn tennis will return to its roots at the house where it was invented in 1859.

Figure Skating World Championships

(At Cleveland) Men's Compulsories 1. Alexander Fadeev, Soviet Union, 4 placemen points.

Transition

BASEBALL American League Oakland — Signed Steve Ontiveros, pitcher, to a one-year contract.

Exhibition Baseball

Monday's Results St. Louis 5, Detroit 0 Montreal 15, Houston 3 Atlanta 4, Kansas City 1

INTERNATIONAL CLASSIFIED ESCORTS & GUIDES. (Continued from Page 11) Includes listings for Zurich, Geneva, London, and other cities.

IB 1735 BLANCPAIN. Since 1735 the oldest name in swiss watchmaking. Includes an image of a watch and the Embassy logo.

OBSERVER

Rat Redeems Miniseries

By Russell Baker

NEW YORK—By Wednesday night I was in agonies of suspense about the fate of Cutter Amberville. Would his worthless family drive a stake through his heart in that night's installment of "I'll Take Manhattan" or would he survive to succor again?

The stake would end all hope that my parlor might someday glow with "Bride of I'll Take Manhattan," "Son of I'll Take Manhattan," "I'll Take Manhattan Meets Frankenstein" or "I'll Take Manhattan Meets Rocky XIV."

Just at that instant, glancing at the screen I saw the face of evil incarnate. It was the face of Cutter Amberville, who was soon to prove himself one of the vilest human beings in the annals of holokum.

ways arrived just before Old 97 could get Belinda in three. Rassen-dale wore black's clothing — high silk hat, black tailcoat — and had long mustachios perfect for twirling while cackling fiendishly.

Since then sociologists have sprung up among us, so we know that "Hairbreadth Harry" was about the abuse of the working classes (symbolized in Hairbreadth and Belinda) by the swells from uptown (symbolized by Rudolph in his upper-class rig).

Naturally, I began studying Cutter Amberville and his victims with an eye for social significance. How strange it was: the "Hairbreadth Harry" story had been reversed and Cutter, though ostensibly the villain, clearly symbolized a cruel Old Testament justice being visited upon the swells, all of whom were astoundingly rich people leading utterly empty lives.

Cutter kills the richest of all, his dim-witted brother Zach, who seems to be the nice guy of the tale until, probing deeper into the author's design, we realize that Zach is an abhorrent human specimen: a media tycoon without social conscience who treats his concubine cruelly and squanders his limitless wealth on his family and himself.

Into this monstrous mass of moral flabbiness comes fate's avenger, Cutter Amberville, the brilliant, unscrupulous, heartless destroyer. He can kill his brother without emotion, destroy his son for profit, promote his wife's suicide, then blackmail her grieving father.

He is the pure inhuman retribution of justice upon the idle rich. To avoid angering rich sponsors, he is cartoonish as evil, just as Rudolph Rassen-dale, the iron fist of wealth, was cartooned to soften his message.

Mel Gibson, the 'Dish From Down Under'

By Stephanie Mansfield

NEW YORK — Mel Gibson is on the edge of his seat, cutting his snowy fingers around an imaginary trophy.

"It was the last of my four films. I could have killed him. He didn't know how close he was."

Gibson, the 31-year-old Australian heartthrob dubbed the Dish From Down Under, smacks his fist into the palm of his hand. "He didn't know. He just had to be a couple of more buttons."

"Before, I felt there was a responsibility to be brutally honest." Gibson is usually shy and more cynical than his screen persona would suggest. When he speaks, it's in a strange, rapid hybrid of American and Australian.

Two years ago, Gibson had a kind of identity crisis and buried himself in work. There were four films, made one after another: "The Bounty," "The River," "Mrs. Soffel" and "Mad Max Beyond Thunderdome." None of them was particularly good or successful. Gibson readily admits he was burned out. "I went from



Actor Gibson: "You can't become someone else. You only have aspects of yourself."

high school to university, where I trained in acting, and then straight out my first film. There you are, very narrow. It's just you don't know where you're going, that's all. He sighs. "I wasn't trying to prove anything," he says. "I was just trying to keep busy. Because you don't know what direction you're going in. The best thing to do is just to keep scrambling. Just keep going."

He took off for a year and retreated to his 800-acre (322-hectare) Australian farm. "You need some foundation that doesn't shift around. Just take some time off and just relax. I don't think I'm different from anybody else. It's just natural maturation."

Three important facts about Mel Gibson: He's not a native Australian, he is a former altar boy and he does a bang-up imitation of Curly from the Three Stooges. The high point of the hour comes when Gibson is prodded, not to peel away the self-protective layers of his psyche, but to repeat his Stogie bit from

"Lethal Weapon." He laughs loudly, turns to one side and suddenly scowls. "WOO WOO WOO WOO," wildly slipping his hands over his face and hair.

He was born in Peekskill, New York, the sixth of 11 children. Catholic. Churchgoing. He is characteristically monosyllabic on the subject of his early years.

"I had a pretty good childhood. I got fed. I got clothed. I went to school." As for being low down in the pecking order, he cracks, "I've always been low down." Most of the elder siblings were girls. "It was like having four mothers."

Cautiously, just about all of Gibson's leading ladies (Diane Keaton, Sigourney Weaver, Sissy Spacek, Tina Turner) have been older. "I don't know whether it's because of that. I just like older women."

There's a distinct "kid brother" quality to him. A sexy kid brother. "I think they thought I was a nice chap. I hope so. I wasn't trying to be a bastard to 'em."

After high school he enrolled (or rather, his sister enrolled him) in the National Institute of Dra-

matic Art in Sydney. The day he graduated, he flew off to film "Mad Max," the successful Australian cult film, sort of a "High Noon" for the safety-pin-in-the-ear set.

His next film, "Tim," in which he played a mentally retarded handyman, won him the Australian equivalent of an Oscar. That came Peter Weir's "Gallop!" (1981) followed by "The Road Warrior," the sequel to "Mad Max." It was this film that made Gibson an American star. He followed with a critically acclaimed performance as journalist Goy Hamilton in Peter Weir's "The Year of Living Dangerously."

PEOPLE

La Pyramide Loses Star

In New Michelin Guide

The new 1987 Guide Michelin for France demoted La Pyramide, one of the nation's longtime temples of gastronomy, from the top three-star rating to two stars. La Pyramide in Vienne was first awarded Michelin's three-star rating in 1933. The demotion was expected after Marie-Louise-Pollet, the wife of the late chef Fernand Pollet, died last July. The chef, who died in 1955, is widely regarded as one of the most influential French chefs of the century. He modernized French cuisine and trained many of the current top-rated chefs, including Paul Bocuse, the late Jean Troisgros and his brother, Pierre, and Alain Chapel.

The son of the British Liberal Party leader David Steel has been fined £50 (about \$79) by an English court for assaulting a police officer. Graeme Steel, 20, was charged with assaulting a policeman in Glasgow, Scotland, in the same incident.

The Italian opera star Luciano Pavarotti on Monday was awarded a "golden record" for surpassing 100,000 sales of his recording of famous aria and "Nessun Dorma" songs. Pavarotti, who will perform Giuseppe Verdi's "A Masked Ball" at Milan's La Scala opera house Saturday, said that he plans to record one of the most popular Italian songs, Domenico Modugno's "Nel Blu Dipinto Di Blu," internationally known as "Volare."

The British think Prince Charles is the brightest member of the royal family and Princess Diana the least intelligent, according to a poll published Tuesday. Queen Elizabeth II is the hardest-working, least spoken-of and most serious member of the family, and Prince Andrew's wife, Sarah, is the most pleasant and most fun, according to the national survey published by London's Daily Express newspaper.

Sir Edmund Hillary, one of the two first men on the summit of Mount Everest, said Tuesday he still believed it to be the world's highest peak despite an assertion made last week by an American scientific team that K-2, regarded as the Himalaya's second-highest peak, might be a few yards higher.

INTERNATIONAL CLASSIFIED

Advertisement for International Business Message Center, featuring various services like business opportunities, real estate, and international communication.

Advertisement for 'Act now BEFORE APRIL 1ST 1987' featuring the International Herald Tribune and a subscription advertisement.

A large grid of classified advertisements for various international services, including real estate, business opportunities, and immigration.

A vertical strip of advertisements on the right edge of the page, including 'The Chicago Tribune', 'Senator On AB', '5 Jazz', and 'Law on Paris'.